

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

**Executive Budget Comparison to Prior Biennium Appropriations**

|   | FTE Positions | General Fund | Other Funds    | Total          |
|---|---------------|--------------|----------------|----------------|
| 2019-21 Executive Budget                        | 224.00        | \$42,638,487 | \$116,081,868  | \$158,720,355  |
| 2017-19 Legislative Appropriations <sup>1</sup> | 234.00        | 25,886,422   | 198,468,480    | 224,354,902    |
| Increase (Decrease)                             | (10.00)       | \$16,752,065 | (\$82,386,612) | (\$65,634,547) |

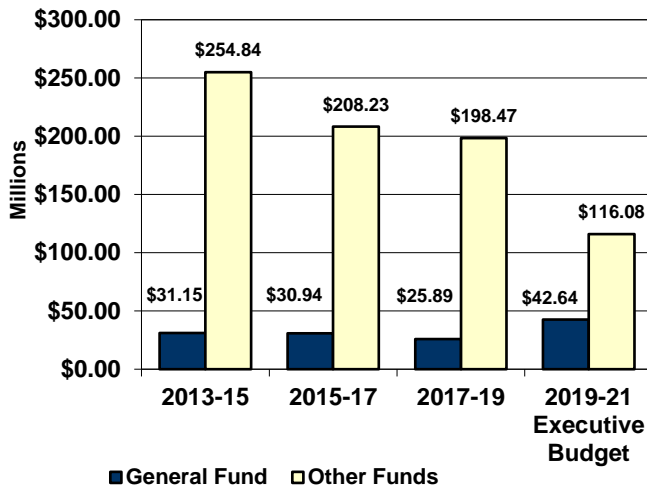
<sup>1</sup>The 2017-19 biennium agency appropriation amounts have not been adjusted for additional special funds authority of \$25,010,112 resulting from Emergency Commission action during the 2017-19 biennium, including:

- \$10 million of federal funds to repay Bank of North Dakota loans for expenses related to the Dakota Access Pipeline protests;
- \$5 million of Bank of North Dakota loan proceeds for expenses related to the Dakota Access Pipeline protests;
- \$1.5 million of Bank of North Dakota loan proceeds for an emergency hay transportation program;
- A \$110,000 transfer from the state contingency line for National Guard tuition assistance; and
- \$8,400,112 (including \$7,211,842 of federal funds and \$1,188,270 from Bank of North Dakota loan proceeds) for spring 2017 flooding.

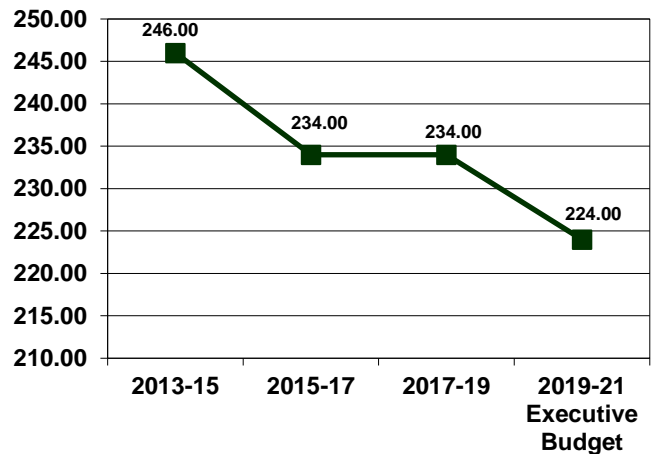
**Ongoing and One-Time General Fund Appropriations**

|                                    | Ongoing General Fund Appropriation | One-Time General Fund Appropriation | Total General Fund Appropriation |
|------------------------------------|------------------------------------|-------------------------------------|----------------------------------|
| 2019-21 Executive Budget           | \$27,457,487                       | \$15,181,000                        | \$42,638,487                     |
| 2017-19 Legislative Appropriations | 25,886,422                         | 0                                   | 25,886,422                       |
| Increase (Decrease)                | \$1,571,065                        | \$15,181,000                        | \$16,752,065                     |

**Agency Funding**



**FTE Positions**



**Executive Budget Comparison to Base Level**

|                          | General Fund | Other Funds    | Total          |
|--------------------------|--------------|----------------|----------------|
| 2019-21 Executive Budget | \$42,638,487 | \$116,081,868  | \$158,720,355  |
| 2019-21 Base Level       | 25,886,422   | 143,599,480    | 169,485,902    |
| Increase (Decrease)      | \$16,752,065 | (\$27,517,612) | (\$10,765,547) |

**First House Action**

Attached is a comparison worksheet detailing first house changes to base level funding and the executive budget.

**Executive Budget Highlights  
(With First House Changes in Bold)**

|  | General Fund | Other Funds | Total       |
|--|--------------|-------------|-------------|
| 1. Provides funding for state employee salary and benefit increases, of which \$1,447,598 is for salary increases, \$810,607 is for health insurance increases, and \$173,497 is for retirement contribution | \$961,709    | \$1,469,993 | \$2,431,702 |

increases. **The Senate added funding for salary adjustments of 2 percent July 1, 2019, and 3 percent July 1, 2020, and increases in health insurance premiums from \$1,241 to \$1,427 per month. The Senate did not add funding for retirement contribution increases.**

**Department of Emergency Services**

|  |             |                |                |
|--|-------------|----------------|----------------|
| 2. Removes 5 FTE positions, including 4 communications specialists and 1 geographic information systems specialist   | (\$581,885) | (\$48,591)     | (\$630,476)    |
| 3. Transfers 4 FTE positions to the Information Technology Department for the information technology unification initiative and adjusts related operating costs  | \$21,428    | \$14,706       | \$36,134       |
| 4. Reduces funding for operating expenses, including information technology, miscellaneous supplies, and professional services   | (\$177,482) | \$0            | (\$177,482)    |
| 5. Increases funding from the radio communications fund for State Radio operating expenses   | \$0         | \$542,338      | \$542,338      |
| 6. Reduces funding for emergency services grants   | \$0         | (\$615,734)    | (\$615,734)    |
| 7. Reduces funding for disaster costs, to provide a total of \$32,467,562 for disaster costs, of which \$48,978 is from the general fund, \$3,023,161 is from the state disaster relief fund, and \$29,395,423 is from federal funds | \$0         | (\$18,708,053) | (\$18,708,053) |
| 8. Adds one-time funding from the strategic investment and improvements fund for an anticipated 911 dispatching service revenue shortfall  | \$0         | \$1,212,253    | \$1,212,253    |
| 9. Adds one-time funding, including funding from the strategic investment and improvements fund, for information technology upgrades   | \$181,000   | \$690,000      | \$871,000      |
| 10. Adds one-time funding from federal funds for emergency services equipment  | \$0         | \$660,000      | \$660,000      |

**National Guard**

|  |              |                |                |
|--|--------------|----------------|----------------|
| 11. Adds funding and 3 FTE positions for the Fargo Readiness Center  | \$131,028    | \$131,029      | \$262,057      |
| 12. Removes 4 FTE positions, including 1 carpenter, 1 security officer, and 2 veterans benefits specialists  | (\$435,261)  | (\$129,932)    | (\$565,193)    |
| 13. Reclassifies 1 FTE security officer position as a project manager position for the Camp Grafton expansion  | \$221,598    | (\$132,379)    | \$89,219       |
| 14. Increases funding for Air Guard and Army Guard contract operating expenses   | \$475,000    | \$0            | \$475,000      |
| 15. Increases funding for tuition assistance to provide a total of \$4,617,500 from the general fund for tuition assistance. <b>The Senate added \$2,164,572 to provide a total of \$4,782,072 from the general fund for tuition, recruiting, and retention.</b> | \$2,000,000  | \$0            | \$2,000,000    |
| 16. Reduces funding for operating expenses, including travel, utilities, repairs, and information technology   | (\$762,245)  | \$0            | (\$762,245)    |
| 17. Reduces funding for grants for city-owned armories relating to the closure of armories in Mayville, Bottineau, Carrington, Grafton, Mott, and Rugby during the 2017-19 biennium  | (\$107,637)  | \$0            | (\$107,637)    |
| 18. Reduces federal funding for the Army Guard contract  | \$0          | (\$12,000,000) | (\$12,000,000) |
| 19. Adds one-time funding for the Camp Grafton expansion. <b>The Senate added \$600,000 from the strategic investment and improvements fund to purchase options for the purchase or lease of land for the Camp Grafton expansion.</b>                            | \$15,000,000 | \$0            | \$15,000,000   |

**Other Sections in Senate Bill No. 2016**

**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 2019-21 biennium.

**Strategic investment and improvements fund** - Section 4 identifies \$2,502,253 from the strategic investment and improvements fund for various one-time funding items.

**Camp Grafton expansion** - Section 5 provides legislative intent regarding the expansion of Camp Grafton, including the purchase of options for the purchase or long-term lease of land for the expansion. Section 15 provides the funding and provisions relating to the Camp Grafton expansion are an emergency measure.

**National Guard tuition waiver** - Section 6 increases the National Guard tuition waiver from 25 percent to 35 percent.

**National Guard tuition grants** - Section 7 clarifies law relating to the calculation of the maximum National Guard tuition grant to be provided to private institutions.

**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 2019-21 biennium. Any amounts transferred must be reported to the Office of Management and Budget.

**Exemption - Radio communications** - Section 9 provides that any unexpended general fund 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 2019-21 biennium.

**Exemption - Tuition, recruiting, and retention** - Section 10 provides that any unexpended general fund or special funds appropriation authority in the tuition, recruiting, and retention line item for the 2017-19 biennium is not subject to the provisions of Section 54-44.1-11 and may be continued and expended during the 2019-21 biennium.

**Exemption - Veterans' bonus** - Section 11 provides that any unexpended general fund or special funds appropriation authority carried over 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 2019-21 biennium. Any unexpended funds from this appropriation must be transferred to the Veterans' Cemetery trust fund during the 2019-21 biennium.

**Exemption - Mobile repeaters and programming radios** - Section 12 provides that any unexpended general fund or special funds appropriation authority carried over in the Department of Emergency Services operating expenses line item relating to one-time funding from the strategic investment and improvements fund for mobile repeaters and programming radios for the 2017-19 biennium is not subject to the provisions of Section 54-44.1-11 and may be continued and expended during the 2019-21 biennium.

**Exemption - Disaster costs** - Section 13 provides that any unexpended general fund 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 2019-21 biennium.

**Exemption - Disaster costs** - Section 14 provides that any unexpended appropriation authority from the state disaster relief fund in the disaster costs line item for the 2017-19 biennium is not subject to the provisions of Section 54-44.1-11 and may be continued and expended during the 2019-21 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**

**Senate Bill No. 2024** - Provides a deficiency appropriation of \$2,473,884 from the general fund to repay Bank of North Dakota loans for the state's share of disaster costs (\$887,823) and emergency hay transportation (\$1,586,061).

### **Significant Audit Findings**

There were no significant audit findings for this agency.

### **Major Related Legislation**

**House Bill No. 1046** - Clarifies law relating to National Guard tuition waivers.

**House Bill No. 1053** - Provides for an income tax deduction relating to retired military personnel benefits.

**House Bill No. 1091** - Increases the number of members on the Department of Emergency Services Advisory Committee from 11 members to 12. Eliminates language identifying the operational sections of the Division of Homeland Security under the Department of Emergency Services.

**House Bill No. 1095** - Amends the definition of a volunteer emergency responder to include volunteer members of the National Guard of any state.

**House Bill No. 1101** - Provides continuing appropriation authority from the North Dakota National Guard service member, veteran, family, and survivor support fund to the Adjutant General for expenses relating to the North Dakota National Guard service member, veteran, family, and survivor support program.

**House Bill No. 1435** - Provides an appropriation of \$120 million from Bank of North Dakota line of credit proceeds to the Information Technology Department for statewide interoperable radio network projects.

**Senate Bill No. 2095** - Eliminates the need for Emergency Commission and Budget Section approval to expend moneys from the state disaster relief fund that have been appropriated by the Legislative Assembly. The bill also provides for a report to the Budget Section detailing expenditures from the appropriation. The bill also changes the allowable uses of money in the fund.

**Senate Bill No. 2096** - Amends law relating to mutual aid agreements.

**Senate Bill No. 2195** - Provides an appropriation of \$250,000 from the general fund to pay the costs of interring veterans' spouses and dependents who are eligible for internment at the Veterans' Cemetery.

**Adjutant General, including the National Guard and the Department of Emergency Services - Budget No. 540**  
**Senate Bill No. 2016**  
**Base Level Funding Changes**

|   | Executive Budget Recommendation |              |               |               | Senate Version |              |               |               |
|---|---------------------------------|--------------|---------------|---------------|----------------|--------------|---------------|---------------|
|   | FTE Positions                   | General Fund | Other Funds   | Total         | FTE Position   | General Fund | Other Funds   | Total         |
| <b>2019-21 Biennium Base Level</b>  | 234.00                          | \$25,886,422 | \$143,599,480 | \$169,485,902 | 234.00         | \$25,886,422 | \$143,599,480 | \$169,485,902 |
| <b>2019-21 Ongoing Funding Changes</b>  |                                 |              |               |               |                |              |               |               |
| Base payroll changes  |                                 | (\$175,188)  | (\$603,242)   | (\$778,430)   |                | (\$175,188)  | (\$603,242)   | (\$778,430)   |
| Salary increase   |                                 | 580,067      | 867,531       | 1,447,598     |                | 408,013      | 607,549       | 1,015,562     |
| Health insurance increase   |                                 | 307,642      | 502,965       | 810,607       |                | 367,107      | 590,010       | 957,117       |
| Retirement contribution increase  |                                 | 74,000       | 99,497        | 173,497       |                |              |               | 0             |
| Add funding for Fargo Readiness Center FTE positions and related operating expenses and equipment   | 3.00                            | 131,028      | 131,029       | 262,057       | 3.00           | 131,028      | 131,029       | 262,057       |
| Remove 9 FTE positions, including 4 communications specialists, 1 geographic information systems specialist, 1 carpenter, 1 security officer, and 2 veterans benefits specialists | (9.00)                          | (1,017,146)  | (178,523)     | (1,195,669)   | (9.00)         | (1,017,146)  | (178,523)     | (1,195,669)   |
| Reclassify a security officer FTE position as a project manager FTE position  |                                 | 221,598      | (132,379)     | 89,219        |                | 221,598      | (132,379)     | 89,219        |
| Transfer FTE positions for the information technology (IT) unification initiative   | (4.00)                          | (310,746)    | (366,744)     | (677,490)     | (4.00)         | (310,746)    | (366,744)     | (677,490)     |
| Funding adjustment to reflect IT unification error  |                                 | (111,903)    | 77,027        | (34,876)      |                |              |               | 0             |
| Increase funding for operating expenses related to the IT unification initiative  |                                 | 444,077      | 304,423       | 748,500       |                | 328,538      | 387,502       | 716,040       |
| Increase funding for National Guard contract lines  |                                 | 475,000      |               | 475,000       |                | 475,000      |               | 475,000       |
| Increase funding for National Guard tuition assistance  |                                 | 2,000,000    |               | 2,000,000     |                | 2,164,572    |               | 2,164,572     |
| Reduce funding for National Guard operating expenses, including travel, utilities, repairs, and IT  |                                 | (762,245)    |               | (762,245)     |                | (762,245)    |               | (762,245)     |
| Reduce funding for city-owned armory grants due to the closure of armories in Mayville, Bottineau, Carrington, Grafton, Mott, and Rugby during the 2017-19 biennium               |                                 | (107,637)    |               | (107,637)     |                | (107,637)    |               | (107,637)     |

|  |                |                     |                       |                       |                |                     |                       |                       |
|--|----------------|---------------------|-----------------------|-----------------------|----------------|---------------------|-----------------------|-----------------------|
| Reduce funding for emergency services operating expenses, including IT, miscellaneous supplies, and professional services                | (177,482)      |                     | (177,482)             | (177,482)             |                | (177,482)           |                       |                       |
| Increase funding from the radio communications fund for State Radio operating expenses, including IT, repairs, and professional services |                | 542,338             | 542,338               |                       | 542,338        | 542,338             |                       |                       |
| Reduce federal funding for Army Guard contract   |                | (12,000,000)        | (12,000,000)          |                       | (12,000,000)   | (12,000,000)        |                       |                       |
| Reduce funding from the disaster relief fund (\$5.4 million) and federal funds (\$13.3 million) for disaster costs                       |                | (18,708,053)        | (18,708,053)          |                       | (18,708,053)   | (18,708,053)        |                       |                       |
| Reduce federal funding for emergency services grants   |                | (615,734)           | (615,734)             |                       | (615,734)      | (615,734)           |                       |                       |
| <b>Total ongoing funding changes</b>   | <b>(10.00)</b> | <b>\$1,571,065</b>  | <b>(\$30,079,865)</b> | <b>(\$28,508,800)</b> | <b>(10.00)</b> | <b>\$1,545,412</b>  | <b>(\$30,346,247)</b> | <b>(\$28,800,835)</b> |
| <b>One-time funding items</b>  |                |                     |                       |                       |                |                     |                       |                       |
| Add one-time funding for the Camp Grafton expansion  |                | \$15,000,000        |                       | \$15,000,000          |                | \$600,000           | \$600,000             |                       |
| Add one-time funding from the strategic investment and improvements fund (SIIF) for a 911 dispatching service revenue shortfall          |                |                     | 1,212,253             | 1,212,253             |                | 1,212,253           | 1,212,253             |                       |
| Add one-time funding for IT upgrades, including funding from SIIF  |                | 181,000             | 690,000               | 871,000               |                | \$181,000           | 690,000               | 871,000               |
| Add one-time funding from federal funds for emergency services equipment   |                |                     | 660,000               | 660,000               |                | 660,000             | 660,000               |                       |
| <b>Total one-time funding changes</b>  | <b>0.00</b>    | <b>\$15,181,000</b> | <b>\$2,562,253</b>    | <b>\$17,743,253</b>   | <b>0.00</b>    | <b>\$181,000</b>    | <b>\$3,162,253</b>    | <b>\$3,343,253</b>    |
| <b>Total Changes to Base Level Funding</b>   | <b>(10.00)</b> | <b>\$16,752,065</b> | <b>(\$27,517,612)</b> | <b>(\$10,765,547)</b> | <b>(10.00)</b> | <b>\$1,726,412</b>  | <b>(\$27,183,994)</b> | <b>(\$25,457,582)</b> |
| <b>2019-21 Total Funding</b>   | <b>224.00</b>  | <b>\$42,638,487</b> | <b>\$116,081,868</b>  | <b>\$158,720,355</b>  | <b>224.00</b>  | <b>\$27,612,834</b> | <b>\$116,415,486</b>  | <b>\$144,028,320</b>  |

**Other Sections for Adjutant General, including the National Guard and the Department of Emergency Services - 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 North Dakota Century Code Sections 37-03-14 and 39-04-10.10 for the operation of the Veterans' Cemetery for the 2019-21 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 2019-21 biennium. |
| Strategic investment and improvements fund |   | Section 4 identifies the appropriations from the strategic investment and improvements fund included in this bill.   |

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

|  | <b>Executive Budget Recommendation</b>   | <b>Senate Version</b>  |
|--|--|--|
| Camp Grafton expansion                         |  | Section 5 provides legislative intent for the Adjutant General to purchase options for the purchase or lease of up to 6,000 acres of land. The section also provides legislative intent that the 67th Legislative Assembly provide an appropriation to complete the purchase or lease of land during the 2021-23 biennium.   |
| National Guard tuition waiver                  |  | Section 6 amends Section 37-07.1-03 to increase the National Guard tuition waiver from 25 to 35 percent.   |
| National Guard tuition grant                   |  | Section 7 amends Section 37-07.2-01 to ensure the increased tuition waiver does not affect the National Guard tuition grant amount paid to nonstate institutions of higher education.  |
| 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 2019-21 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 2019-21 biennium. Any amounts transferred must be reported to the Office of Management and Budget.   |
| Line item transfers                            | Section 5 would authorize the Adjutant General to transfer up to 10 percent of its total appropriation between line items.   |  |
| Exemption - Radio communications               | Section 6 would provide 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 2019-21 biennium.   | Section 9 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 2019-21 biennium.  |
| Exemption - Tuition, recruiting, and retention | Section 7 would provide that any unexpended general or special funds appropriation authority in the tuition, recruiting, and retention line item for the 2017-19 biennium is not subject to the provisions of Section 54-44.1-11 and may be continued and expended during the 2019-21 biennium.  | Section 10 provides that any unexpended general or special funds appropriation authority in the tuition, recruiting, and retention line item for the 2017-19 biennium is not subject to the provisions of Section 54-44.1-11 and may be continued and expended during the 2019-21 biennium.  |
| Exemption - Veterans' bonus                    | Section 8 would provide that any unexpended general or special funds appropriation authority carried over 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 2019-21 biennium. Any unexpended funds from this appropriation must be transferred to the Veterans' Cemetery trust fund during the 2019-21 biennium. | Section 11 provides that any unexpended general or special funds appropriation authority carried over 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 2019-21 biennium. Any unexpended funds from this appropriation must be transferred to the Veterans' Cemetery trust fund during the 2019-21 biennium. |

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

|  | <u>Executive Budget Recommendation</u>   | <u>Senate Version</u>  |
|--|--|--|
| Exemption - Mobile repeaters and programming radios              | Section 9 would provide that any unexpended general or special funds appropriation authority carried over in the Department of Emergency Services operating expenses line item relating to one-time funding from the strategic investment and improvements fund for mobile repeaters and programming radios for the 2017-19 biennium is not subject to the provisions of Section 54-44.1-11 and may be continued and expended during the 2019-21 biennium. | Section 12 provides that any unexpended general or special funds appropriation authority carried over in the Department of Emergency Services operating expenses line item relating to one-time funding from the strategic investment and improvements fund for mobile repeaters and programming radios for the 2017-19 biennium is not subject to the provisions of Section 54-44.1-11 and may be continued and expended during the 2019-21 biennium. |
| Exemption - Disaster costs                                       | Section 10 would provide 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 2019-21 biennium.                | Section 13 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 2019-21 biennium.                 |
| Exemption - Disaster costs                                       |  | Section 14 provides that any unexpended special funds appropriation authority in the disaster costs line item from the 2017-19 biennium is not subject to the provisions of Section 54-44.1-11 and may be continued and expended during the 2019-21 biennium.  |
| National Guard training area and facility development trust fund | Section 11 would amend Section 37-07.3-03 relating to the National Guard training area and facility development trust fund to allow the fund to be used for the proposed expansion of Camp Grafton. The section disallows the use of eminent domain in the acquisition of property for the expansion.  |  |
| Emergency  | Section 12 would declare the amount appropriated in the tuition, recruiting, and retention line item to be an emergency measure.   | Section 15 declares the amount appropriated in the Camp Grafton expansion and tuition, recruiting, and retention line items to be an emergency measure.  |

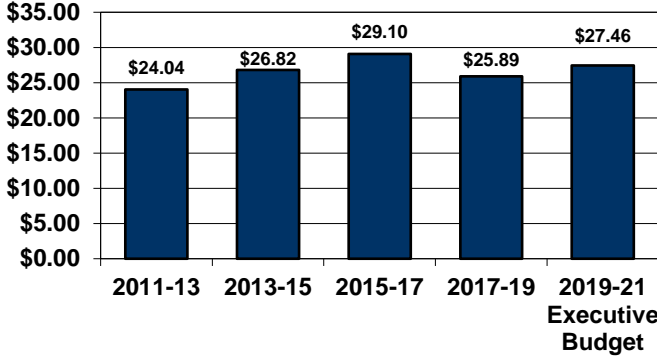


**Department 540 - Adjutant General, including the National Guard and the Department of Emergency Services**

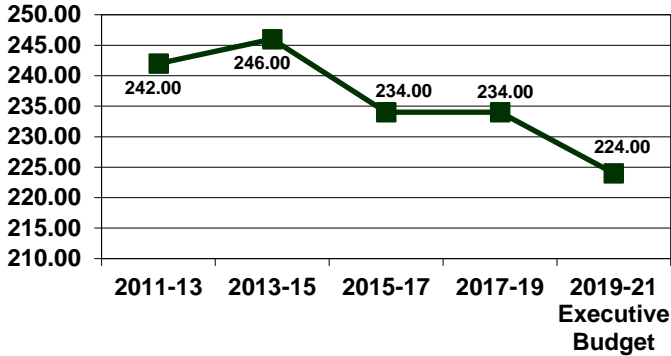
**Historical Appropriations Information**

**Ongoing General Fund Appropriations Since 2011-13**

Ongoing General Fund Appropriations (in Millions)



FTE Positions



| Ongoing General Fund Appropriations                             |              |              |              |               |                          |
|---|--------------|--------------|--------------|---------------|--------------------------|
|   | 2011-13      | 2013-15      | 2015-17      | 2017-19       | 2019-21 Executive Budget |
| Ongoing general fund appropriations                             | \$24,035,127 | \$26,824,589 | \$29,096,100 | \$25,886,422  | \$27,457,487             |
| Increase (decrease) from previous biennium                      | N/A          | \$2,789,462  | \$2,271,511  | (\$3,209,678) | \$1,571,065              |
| Percentage increase (decrease) from previous biennium           | N/A          | 11.6%        | 8.5%         | (11.0%)       | 6.1%                     |
| Cumulative percentage increase (decrease) from 2011-13 biennium | N/A          | 11.6%        | 21.1%        | 7.7%          | 14.2%                    |

**Major Increases (Decreases) in Ongoing General Fund Appropriations**

**2013-15 Biennium**

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

**2015-17 Biennium**

- 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**

- 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 (Executive Budget Recommendation)**

- 1. Removes 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. Increases funding for National Guard Air Guard and Army Guard contract operating expenses \$475,000
- 3. Reduces funding for operating expenses, including information technology, travel, utilities, repairs, miscellaneous supplies, and professional services (\$939,727)

4. Increases funding for National Guard tuition assistance, to provide a total of \$4,617,500. **The Senate added \$2,164,572 to provide a total of \$4,782,072 from the general fund for tuition, recruiting, and retention.** \$2,000,000

**GOVERNOR'S RECOMMENDATION FOR THE  
ADJUTANT GENERAL AS SUBMITTED  
BY THE OFFICE OF MANAGEMENT AND BUDGET**

**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, 2019, and ending June 30, 2021, as follows:

Subdivision 1.

NATIONAL GUARD

|                                    | <u>Base Level</u>    | <u>Adjustments or<br/>Enhancements</u> | <u>Appropriation</u> |
|------------------------------------|----------------------|--|----------------------|
| Salaries and Wages                 | \$6,666,525          | \$230,662                              | \$6,897,187          |
| Operating Expenses                 | 3,525,934            | (758,613)                              | 2,767,321            |
| Capital Assets                     | 33,224,046           | (18,000,000)                           | 15,224,046           |
| Grants                             | 318,553              | (107,637)                              | 210,916              |
| Civil Air Patrol                   | 299,580              | 5,739                                  | 305,319              |
| Tuition, Recruiting, and Retention | 2,617,500            | 2,000,000                              | 4,617,500            |
| Air Guard Contract                 | 8,098,582            | 494,501                                | 8,593,083            |
| Army Guard Contract                | 57,717,944           | (10,669,870)                           | 47,048,074           |
| Veterans' Cemetery                 | 881,284              | 100,566                                | 981,850              |
| Reintegration Program              | <u>1,261,384</u>     | <u>(200,357)</u>                       | <u>1,061,027</u>     |
| Total all funds                    | <u>\$114,611,332</u> | <u>(\$26,905,009)</u>                  | <u>\$87,706,323</u>  |
| Less estimated income              | <u>98,174,778</u>    | <u>(43,833,574)</u>                    | <u>54,341,204</u>    |
| Total general fund                 | <u>\$16,436,554</u>  | <u>\$16,928,565</u>                    | <u>\$33,365,119</u>  |

Subdivision 2.

DIVISION OF EMERGENCY SERVICES

|                       | <u>Base Level</u> | <u>Adjustments or<br/>Enhancements</u> | <u>Appropriation</u> |
|-----------------------|-------------------|--|----------------------|
| Salaries and Wages    | \$12,551,119      | (\$1,123,134)                          | \$11,427,985         |
| Operating Expenses    | 7,288,451         | 2,111,609                              | 9,400,060            |
| Capital Assets        | 569,000           | 91,000                                 | 660,000              |
| Grants                | 16,889,159        | (615,734)                              | 16,273,425           |
| Disaster Costs        | 51,445,841        | (18,978,279)                           | 32,467,562           |
| Radio Communications  | <u>0</u>          | <u>785,000</u>                         | <u>785,000</u>       |
| Total all funds       | \$88,743,570      | (\$17,729,538)                         | \$71,014,032         |
| Less estimated income | <u>79,293,702</u> | <u>(17,553,038)</u>                    | <u>61,740,664</u>    |
| Total general fund    | \$9,449,868       | (\$176,500)                            | \$9,273,368          |

Subdivision 3.

BILL TOTAL

|                                | <u>Base Level</u>  | <u>Adjustments or<br/>Enhancements</u> | <u>Appropriation</u> |
|--------------------------------|--------------------|--|----------------------|
| Grand total general fund       | \$25,886,422       | \$16,772,065                           | \$42,638,487         |
| Grant total special funds      | <u>177,468,480</u> | <u>(61,386,612)</u>                    | <u>116,081,868</u>   |
| Grant total all funds          | \$203,354,902      | (\$44,634,547)                         | \$158,720,355        |
| Full-time equivalent positions | 234.00             | -10.00                                 | 224.00               |

**SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-SIXTH LEGISLATIVE ASSEMBLY.** The following amounts reflect the one-time funding items approved by the sixty-fourth legislative assembly for the 2017-19 biennium and the 2019-21 one-time funding items included in the appropriation in section 1 of this Act:

| <u>One-Time Funding Description</u>     | <u>2017-19</u> | <u>2019-21</u> |
|---|----------------|----------------|
| ND national guard readiness center      | \$33,000,000   | \$0            |
| Emergency Response equipment            | 569,000        | 0              |
| Mobile repeaters and programming radios | 300,000        | 0              |
| State Radio operational increase        | 0              | 1,212,253      |
| CAD upgrade                             | 0              | 450,000        |
| CAD monitor replacement                 | 0              | 66,000         |
| UPS battery replacement                 | 0              | 20,000         |
| Message switch hardware                 | 0              | 240,000        |

|                              |              |              |
|------------------------------|--------------|--------------|
| Intergraph XML Change        | 0            | 95,000       |
| Camp Grafton south expansion | 0            | 15,000,000   |
| Total all funds              | \$33,869,000 | \$17,083,253 |
| Total special funds          | 33,869,000   | 16,902,253   |
| Total general fund           | \$0          | \$181,000    |

The 2019-21 one-time funding amounts are not a part of the entity's base budget for the 2021-23 biennium. The adjutant general shall report to the appropriations committees of the sixty-sixth legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2019, and ending June 30, 2021.

**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, 2019, and ending June 30, 2021.

**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, 2019, and ending June 30, 2021. Any amounts transferred pursuant to this section must be reported to the director of the office of management and budget.

**SECTION 5. LINE ITEM TRANSFER.** Notwithstanding section 54-16-04, the agency may transfer between line items within section 1 of this Act up to ten percent of the total appropriation contained in section 1 during the biennium beginning July 1, 2019, and ending June 30, 2021. The agency shall notify the office of management and budget and the legislative council of any transfer made pursuant to this section.

**SECTION 6. EXEMPTION.** Any amounts carried over in the radio communications line for the state radio tower package, in section 7 of chapter 15 of the 2017 Session Laws is not subject to section 54-44.1-11 and any unexpended funds are available for completing these projects during the biennium beginning July 1, 2019, and ending June 30, 2021.

**SECTION 7. EXEMPTION.** The amount appropriated in the tuition, recruiting, and retention line item in subdivision 1 of section 1 of chapter 15 of the 2017 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 members of the North Dakota national guard during the biennium beginning July 1, 2019, and ending June 30, 2021.

**SECTION 8. EXEMPTION.** Any amounts carried over pursuant to section 11 of chapter 15 of the 2017 Session Laws that is unexpended as of June 30, 2019 is not subject to section 54-44.1-11 and is available for payment of adjusted compensation to veterans. Any unexpended funds from this appropriation must be transferred to the veterans' cemetery trust fund during the biennium beginning July 1, 2019, and ending June 30, 2021.

**SECTION 9. EXEMPTION.** The amount appropriated in the operating expenses line item in subdivision 2 of section 1 of chapter 15 of the 2017 Session Laws for one-time funding from the strategic investment and improvement fund for mobile repeaters and programming radios is not subject to section 54-44.1-11 and any unexpended funds from this appropriation may be used to complete this project, during the biennium beginning July 1, 2019 and ending June 30, 2021.

**SECTION 10. EXEMPTION.** Any amounts carried over in the disaster costs line for grants to political subdivisions for amounts required to match federal dollars on road grade raising projects and federal emergency relief funding pursuant to section 13 of chapter 15 of the 2017 Session Laws that is

unexpended as of June 30, 2019, is not subject to section 54-44.1-11. Any unexpended funds from this appropriation are available for these purposes during the biennium beginning July 1, 2019, and ending June 30, 2021.

**SECTION 11. AMENDMENT.** Section 37-07.3-03 of the North Dakota Century Code is amended and reenacted as follows:

**37-07.3-03. Trust fund use.**

The principal, interest, and income from the national guard training area and facility development trust fund must be used by the adjutant general solely for training area acquisition, purchase or lease, and facility development; provided, that the principal, and any interest and income which the fund accrues from ~~July 1, 1985~~ July 1, 2019, through ~~June 30, 1989~~ June 30, 2029, must be used solely for the acquisition of land for national guard training purposes and the ~~expenditure, in conjunction with federal matching funds, for the construction of a new national guard armory on or adjacent to~~ expansion of the military reservation known as ~~Fraine Barracks~~ Camp Grafton. For the purpose of obtaining land for training purposes under this section, eminent domain shall not be used.

**SECTION 12. EMERGENCY.** The Tuition, recruiting, and retention line in section 1 of this Act is declared to be an emergency measure.