

**Adjutant General, including the National Guard and the Department of Emergency Services
Budget No. 540
Senate Bill Nos. 2016 and 2195**

	FTE Positions	General Fund	Other Funds	Total
2019-21 legislative appropriation	222.00	\$27,571,197 ¹	\$120,485,042	\$148,056,239
2017-19 legislative appropriation	<u>234.00</u>	<u>26,774,245²</u>	<u>200,054,541³</u>	<u>226,828,786</u>
2019-21 appropriation increase (decrease) to 2017-19 appropriation	(12.00)	\$796,952	(\$79,569,499)	(\$78,772,547)

¹This amount includes \$181,000 of one-time funding. Excluding this amount, the agency's ongoing general fund appropriation is \$27,390,197.

²This amount includes a deficiency appropriation of \$887,823 to repay Bank of North Dakota loans for the state's share of disaster costs.

³This amount includes a deficiency appropriation of \$1,586,061 from the environment and rangeland protection fund for the summer 2018 emergency hay transportation program.

Item Description

FTE changes - The 2019-21 biennium appropriation includes 222 FTE positions, a decrease of 12 FTE positions from the 2017-19 biennium authorized level of 234 FTE positions. The Legislative Assembly added 3 FTE positions for the Fargo Readiness Center and removed:

- 4 FTE communications specialists;
- 1 FTE GIS specialist;
- 4 FTE IT positions transferred to ITD as part of the IT unification initiative;
- 1 FTE carpenter;
- 1 FTE security officer;
- 2 FTE veterans' benefits specialists; and
- 2 FTE positions related to criminal justice information services transferred to the Attorney General.

Special transportation distributions - The 2019 Legislative Assembly provided a supplemental appropriation of \$8.1 million from the state disaster relief fund for the 2017-19 biennium for distributions to non-oil-producing townships due to extraordinary snowfall in 2019 in the eastern part of the state and due to the excessive costs of road maintenance in the western part of the state. To be eligible to receive an allocation, a township must be located in one of the 44 counties that received no allocation or an allocation of less than \$5 million under Section 57-51-15 (oil and gas gross production tax allocations) during fiscal year 2018. Each organized and unorganized township within non-oil-producing counties was to receive an allocation of \$5,000 in June 2019.

Status/Result

The Adjutant General has removed the FTE positions removed by the Legislative Assembly and anticipates filling the 3 new FTE Fargo Readiness Center positions upon the project's completion in the spring of 2021.

The State Treasurer paid \$7,965,000 to eligible townships in June 2019. The unspent appropriation authority will remain in the state disaster relief fund.

One-time funding - The Legislative Assembly provided \$3,343,253 of one-time funding to the Adjutant General for the 2019-21 biennium as follows:

	General Fund	Other Funds	Total
State Radio 911 dispatching service revenue shortfall		\$1,212,253	\$1,212,253
Computer-aided dispatch (CAD) upgrade	\$66,000	450,000	516,000
Uninterruptible power supply (UPS) battery replacement	20,000		20,000
Message switch hardware		240,000	240,000
Message switch software	95,000		95,000
Camp Grafton expansion		600,000	600,000
Emergency services equipment		660,000	660,000
Total	\$181,000	\$3,162,253	\$3,343,253

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

State Radio 911 dispatching service revenue shortfall	The Legislative Assembly appropriated \$1,212,253 from the strategic investment and improvements fund for an anticipated 911 dispatching service revenue shortfall. Through April 2020, the Adjutant General has spent \$658,451 in response to the revenue shortfall. The Adjutant General stated the revenue shortfall will be addressed for the 2021-23 biennium by increasing fees from \$0.84 to \$1.36 per phone line beginning July 1, 2021.
CAD upgrade	The Legislative Assembly appropriated \$516,000 for the CAD upgrade, including \$66,000 from the general fund for hardware and \$450,000 from the strategic investment and improvements fund for the CAD system upgrade or replacement. The Adjutant General is working with a vendor to upgrade the current CAD system and anticipates spending the entire appropriation by the end of the 2019-21 biennium.
UPS battery replacement	The Legislative Assembly appropriated \$20,000 from the general fund for replacement of the UPS battery at the State Radio 911 dispatching center. The Adjutant General has scheduled the UPS battery replacement for the spring of 2021.
Message switch upgrade	The Legislative Assembly appropriated \$335,000 to upgrade the message switch system, including \$95,000 from the general fund for software and \$240,000 for hardware. The Adjutant General is currently working with a vendor to upgrade the system and anticipates spending the entire appropriation by the end of the 2019-21 biennium.
Camp Grafton expansion	The Legislative Assembly appropriated \$600,000 from the strategic investment and improvements fund to expand Camp Grafton by up to 6,000 acres, including for the purchase of options to purchase or lease land for the expansion. The Adjutant General has spent \$28,300 through April 2020. The Adjutant General had planned to complete purchase and lease agreements by the summer of 2020; however, the negotiations are on hold due to the COVID-19 pandemic. The Adjutant General hopes to receive project approval from the 2021 Legislative Assembly and to begin construction during the 2025-27 biennium.

Emergency services equipment	The Legislative Assembly appropriated \$660,000 from federal funds for emergency response equipment. The Adjutant General has spent \$119,086 of the appropriation on equipment through April 2020 and is in the process of purchasing an emergency preparedness training software program (\$45,179) and a spill reporting and hazardous chemical software program (\$430,200).
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National Guard Readiness Center - The Legislative Assembly, in House Bill No. 1016 (2017), appropriated \$33 million, including \$32 million from federal funds and \$1 million from the Adjutant General's military grounds fund, for a new Readiness Center in Fargo. In April 2018, the Adjutant General estimated 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. In Senate Bill No. 2016, the Legislative Assembly appropriated \$262,057, including \$131,028 from the general fund and \$131,029 from federal funds, and 3 new FTE positions to operate the new Readiness Center.

Other carryover items - The Legislative Assembly, in Sections 11 through 14 of Senate Bill No. 2016, provided exemptions allowing the Adjutant General to continue unspent appropriation authority into the 2019-21 biennium relating to State Radio towers, tuition assistance, adjusted compensation for veterans, and mobile repeaters and programming radios.

The Adjutant General carried over \$31.4 million for the project into the 2019-21 biennium and has spent \$7.9 million of that amount through April 2020. The agency anticipates the Readiness Center project will be completed in the spring of 2021.

The Adjutant General continued \$743,887 for the State Radio tower project. The agency has spent \$6,375 through April 2020 and anticipates spending the entire carryover amount by the end of the 2019-21 biennium to complete the final towers and for technology upgrade costs required to implement SIRN.

The Adjutant General continued \$118,883 in its tuition, recruiting, and retention line item for National Guard member tuition assistance. The agency has spent the entire carryover amount and has spent a total of \$965,928 on tuition assistance through April 2020. The Adjutant General anticipates spending the entire \$4,782,072 appropriation for tuition, recruiting, and retention by the end of the 2019-21 biennium.

The Adjutant General continued \$171,856 for adjusted compensation for veterans. The agency has spent \$21,850 through April 2020 and anticipates spending the entire carryover amount by the end of the 2019-21 biennium.

The Adjutant General continued \$85,650 of the \$300,000 appropriated for mobile repeaters and programming radios from the strategic investment and improvements fund for the 2017-19 biennium. The Adjutant General purchased a mobile repeater during the 2017-19 biennium and anticipates using the entire carryover amount by the end of the 2019-21 biennium for programming costs for first responder entities that will require access to the mobile repeater during state emergencies.

Dakota Access Pipeline 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 (2017)	10,000,000
Senate Bill No. 2174 (2017)	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 and emergencies.

2021 deficiency appropriations - As identified in the **Emergency Commission approvals** section above, the Adjutant General has received approval to borrow from the Bank of North Dakota for various disasters and emergency programs.

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 March 31, 2020, the Adjutant General has outstanding DAPL response loans totaling \$13.4 million, plus accrued interest of approximately \$345,000. The Attorney General has filed a lawsuit against the federal Army Corps of Engineers to reimburse the state for the DAPL response costs. The case is pending before the federal court.

The Adjutant General received 2019-21 biennium spending and borrowing authority from the Emergency Commission and, as necessary, from the Budget Section for the following items:

- Approval in September 2019 for \$14,414,400 of federal funds spending authority and to accept and spend \$2,271,360 from Bank of North Dakota loans relating to spring 2019 flooding.
- Approval in March 2020 for \$9,603,000 of federal funds spending authority and to accept and spend \$1,513,200 from Bank loans relating to fall 2019 flooding.
- Approval in April 2020 for \$5 million of federal funds spending authority and to accept and spend \$30 million from Bank loans relating to the COVID-19 pandemic. The Adjutant General does not anticipate using the entire \$30 million of authorized loan funding from the Bank.
- Approval in May 2020 for \$30 million of federal funds spending authority for anticipated costs relating to the COVID-19 pandemic.

The Adjutant General anticipates requesting deficiency appropriations totaling approximately \$29.1 million from the 2021 Legislative Assembly for the repayment of Bank loans related to spring 2019 flooding (\$2,271,360), fall 2019 flooding (\$1,513,200), the COVID-19 pandemic (\$10,000,000), spring 2020 flooding (\$1,000,000), DAPL protest response (\$13,362,261), and interest (\$975,038).