

1999 SENATE APPROPRIATIONS
SB 2016

1999 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SB 2016

Senate Appropriations Committee

Conference Committee

Hearing Date 1/18/99

Tape Number	Side A	Side B	Meter #
1	x		3840-end
		x	3-560
2/12/99 2	x		5345-5750
Committee Clerk Signature <i>Claudia Anderson</i>			

Minutes:

SENATOR NETHING: Opened the hearing on SB 2016, a BILL for an Act to provide an appropriation for defraying the expenses of the division of emergency management.

DOUG FRIEZ: Division of Emergency Management, Director (testimony attached) (tape 1, side A 3840-6000).

SENATOR NETHING: The analysis from the Council indicates this budget provides \$611,874 because of the changing of the funding from 100 percent federal funds to 50-50 state federal match. What is that money going to be used for?

DOUG FRIEZ: The 100 percent is almost entirely for those division staff. 13 of our 20 division staff are paid at 100 percent federal funds and we're going to lose that.

SENATOR KRAUTER: In the ISD report, they indicate 40 percent of your plan is done. Other agencies were at 80-100 percent. What is the reason for this?

LARRY RUEBEL: Emergency Management Staff Member. Our report showed we would have our report complete by the end of January. We will be compliant.

CONNIE SPRYNCZNYK: ND League of Cities, testified in support of SB 2016 noting the importance of the partnership with Emergency Management (tape 1, side B 150-533).

SENATOR NETHING: Closed the hearing on SB 2016.

SENATOR NETHING: Reopened the hearing on SB 2016.

SENATOR GRINDBERG: Presented the amendments to SB 2016.

SENATOR GRINDBERG: Moved do pass the amendments to SB 2016.

SENATOR ANDRIST: Seconded the motion.

**MOTION CARRIED TO DO PASS AMENDMENTS SENATOR TOMAC SB 2016 BY
UNANIMOUS VOICE VOTE**

SENATOR SOLBERG: Moved do pass SB 2016 as amended.

SENATOR ANDRIST: Seconded the motion.

**ROLL CALL: 14 YEAS; 0 NAYS; 0 ABSENT & NOT VOTING
MOTION CARRIED TO DO PASS SB 2016 AS AMENDED.**

CARRIER: SENATOR GRINDBERG

SENATOR NETHING: Closed the hearing on SB 2016.

Date: 2/12/99
Roll Call Vote #: _____

1999 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. SB 2016

Senate APPROPRIATIONS Committee

Subcommittee on _____
or
 Conference Committee

Legislative Council Amendment Number 98038.0103

Action Taken DO PASS AMENDMENTS

Motion Made By Sen Grindberg Seconded By Sen. Andrist

Senators	Yes	No	Senators	Yes	No
Senator Nething, Chairman					
Senator Naaden, Vice Chairman					
Senator Solberg					
Senator Lindaas					
Senator Tallackson					
Senator Tomac					
Senator Robinson					
Senator Krauter					
Senator St. Aubyn					
Senator Grindberg					
Senator Holmberg					
Senator Kringstad					
Senator Bowman					
Senator Andrist					

Total (Yes) Unanimous No _____

Absent _____

Floor Assignment _____

If the vote is on an amendment, briefly indicate intent:

Date: 2/12/99
Roll Call Vote #: _____

1999 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. SB 2016

Senate APPROPRIATIONS Committee

Subcommittee on _____
or
 Conference Committee

Legislative Council Amendment Number 98038.0103

Action Taken DO PASS AS AMENDED

Motion Made By Sen. Grindberg Seconded By Sen. Andrist

Senators	Yes	No	Senators	Yes	No
Senator Nething, Chairman	✓				
Senator Naaden, Vice Chairman	✓				
Senator Solberg	✓				
Senator Lindaas	✓				
Senator Tallackson	✓				
Senator Tomac	✓				
Senator Robinson	✓				
Senator Krauter	✓				
Senator St. Aubyn	✓				
Senator Grindberg	✓				
Senator Holmberg	✓				
Senator Kringstad	✓				
Senator Bowman	✓				
Senator Andrist	✓				

Total (Yes) 14 No 0

Absent 0

Floor Assignment Sen. Grindberg

If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE

SB 2016: Appropriations Committee (Sen. Nething, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (14 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). SB 2016 was placed on the Sixth order on the calendar.

Page 1, line 10, replace "2,313,536" with "2,298,200"

Page 1, line 13, replace "62,738,332" with "55,738,332"

Page 1, line 14, replace "66,170,373" with "59,155,037"

Page 1, line 15, replace "65,239,670" with "58,230,947"

Page 1, line 16, replace "930,703" with "924,090"

Page 1, line 18, replace "\$249,624" with "\$248,799"

Page 1, after line 20, insert:

"SECTION 3. DISASTER CLAIMS RELATING TO THE SPRING 1997 FLOOD. Notwithstanding any other provision of law, the division of emergency management is not to borrow any funds from the Bank of North Dakota for the state's share of any remaining claims relating to the spring 1997 flooding in the Red River valley. For all remaining claims relating to the spring 1997 flooding in the Red River valley, the affected political subdivision must pay the state's five percent matching share and the local five percent matching share if it accepts funding from the federal emergency management agency.

Notwithstanding any other provision of law, the University of North Dakota is not to borrow any funds from the Bank of North Dakota for the university's share of any remaining claims relating to the spring 1997 flooding in the Red River valley. The university is to include any needed matching funds for its remaining claims in its 2001-03 biennium budget request."

Re-number accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

DEPARTMENT 512 - DIVISION OF EMERGENCY MANAGEMENT

SENATE - This amendment makes the following changes:

	EXECUTIVE BUDGET	SENATE CHANGES	SENATE VERSION
Salaries and wages	\$2,313,536	(\$15,336)	\$2,298,200
Operating expenses	931,852		931,852
Equipment	186,653		186,653
Grants	<u>62,738,332</u>	<u>(7,000,000)</u>	<u>55,738,332</u>
Total all funds	\$66,170,373	(\$7,015,336)	\$59,155,037
Less special funds	<u>65,239,670</u>	<u>(7,008,723)</u>	<u>58,230,947</u>
General fund	\$930,703	(\$6,613)	\$924,090
FTE	20.00	0.00	20.00

Detail of Senate changes to the executive budget includes:

REDUCE COMPENSATION PACKAGE	ADJUST HEALTH INSURANCE	DECREASE	TOTAL SENATE
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REPORT OF STANDING COMMITTEE (410)
February 15, 1999 10:08 a.m.

Module No: SR-30-2932
Carrier: Grindberg
Insert LC: 98038.0103 Title: .0200

	TO 2/2	COST	GRANTS	CHANGES
Salaries and wages	(\$21,038)	\$5,702		(\$15,336)
Operating expenses				
Equipment				
Grants			<u>(\$7,000,000)</u>	<u>(7,000,000)</u>
Total all funds	(\$21,038)	\$5,702	(\$7,000,000)	(\$7,015,336)
Less special funds	<u>(12,054)</u>	<u>3,331</u>	<u>(7,000,000)</u>	<u>(7,008,723)</u>
General fund	(\$8,984)	\$2,371	\$0	(\$6,613)
FTE	0.00	0.00	0.00	0.00

Senate changes narrative:

This amendment reduces the grants line item by \$7 million of special funds which were included in anticipation of cost overruns on disaster claims at the University of North Dakota.

The amendment also adds a section of legislative intent providing that the Division of Emergency Management is not to borrow from the Bank of North Dakota in order to match federal funds relating to the spring 1997 flooding in the Red River valley. The section also provides that the affected political subdivision is required to pay the state's share of the federal match in addition to the local share of the federal match in order to receive FEMA funds.

**1999 HOUSE APPROPRIATIONS
SB 2016**

1999 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. Senate Bill 2016

House Appropriations Committee

Conference Committee

Hearing Date March 5, 1999

Tape Number	Side A	Side B	Meter #
1	x		0-END
1		x	0-END
2	x		0-18.0
Committee Clerk Signature <i>Roxanne Kone</i>			

Minutes:

A Bill for an Act to provide an appropriation for defraying the expenses of the division of emergency management.

1A: .7 Doug Friez, Director ND Division of Emergency Mgmt testified in favor of original bill (See attached written testimony). Passed around map of Presidential Disaster Declarations in the United States.

1A: 13.2 Rep. Aarsvold asked about section 3 of the bill precluding emergency agency and the university, how can they commit to their flood obligations. Replied the intent is for the local governments to pick up the nonfederal share for the remainder of the 97 flood that hasn't been closed out by July 1st, 1999.

1A: 14.6 Rep. Delzer asked how this will affect the deficiency bill, Senate Bill 2026. Will it make a difference in the numbers. Replied, yes if the state does not incur about \$7 million dollars totally of that share, it will reduce the state obligation remaining in this biennium and next biennium by that \$7 million dollars. As of today, about \$13 million dollars in the hole. By the end of the biennium it will be about \$16.1 million. Section 3 reduces it.

1A: 17.2 Rep. Delzer asked if this bill will reduce the deficiency in the 2001 by about \$6 million dollars. Replied, yes. Figures do not include university.

1A: 17.6 Rep. Delzer asked about equipment office line item. Replied needs are in area of information technology due to managing the disaster programs requires fairly unique computer

technology. Rep. Delzer asked what will be bought that they don't already have. Replied still have needs in emergency operation center to make it functional: display units.

1A: 19.4 Rep. Delzer asked about travel item increase. Replied huge portion of travel is for the close out process for the disaster declarations that are still open. The 93-94 flood disasters and 97 snow wars have been closed out. Still work to do on 95-96 and a lot on 97-98 close outs. Total close out will be in next biennium and possibly into the next after that.

1A: 20.6 Rep. Delzer asked how many employees are working, temps. Replied there are 13 temps that are funded federally. Equipment needs of temps are cost share with FEMA.

1A: 21.7 Rep. Delzer asked if equipment needs have ISD charges. Replied, yes.

1A: 25.7 Rep. Delzer asked if there is a cut out date for 13 temp employees. Replied 13 are being temporarily phased out, 3 or 4 in next biennium. Temps are being housed in the Manhattan Life Building. Supplies have also increased due to temps.

1A: 30.9 Rep. Timm asked if federal dollar cuts are reflected in this budget. Replied, yes. Rep. Timm asked what the department wants restored. Replied \$7 million dollars in the grant line item that are federal dollars. Cannot accept federal dollars if they are put in university budget.

1A: 34.1 Rep. Byerly asked about section 3 and if the Senate cut it because of concern of on going claims. Replied he had conversations with Senate and Senate subcommittee that the intent of section 3 in the engrossed version was to reduce the state commitment to projects remaining in the 97 flood after July 1st, 1999. Intent was clearly to reduce amount of state dollars recovery in remaining Red River Valley counties.

1A: 38.5 Chairman Dalrymple asked what the commitment was made. Until last dollar is gone? How many years? Replied, generally the tradition is until the disaster is closed out: 75/25 cost share, 15 local, 10 states. 97 flood: 90/10 cost share, split it 5 and 5 with state and local.

1A: 40.8 Rep. Aarsvold commented on his township area and the impact economically. \$17,000 was authorized to correct problems but can't find a contractor to take offer because of more lucrative offers.

1A: 42.0 Doug Friez commented the process is not held up to keep 13 people employed. At one time, there were 75 people working on the disaster and now are down to 13, eventually down to 0.

1A: 43.1 Rep. Delzer asked if there are plans to close the Manhattan Building after the temps are gone. Replied absolutely.

1A: 48.0 Rep. Poolman asked about section 3 and that maybe the process is rather going too slow in some areas. Replied the state made a commitment to the citizens.

1A: 49.6 Chairman Dalrymple how many dollars in section 3. Replied \$7.6 million in federal share/state savings.

1B: .1 Rep. Delzer how does this affect SB 2026. It will be reduced down to \$19 million.

1B: 1.2 Peggy Lucke, University of North Dakota testified in favor of original bill (See attached written testimony).

1B: 6.0 Chairman Dalrymple asked what the state obligation is with UND for 1999-2001. Replied, best estimate: \$1.7 million dollars.

1B: 6.3 Rep. Byerly asked about final costs? Replied won't know final costs until everything is signed, sealed, and delivered. It will be an on going process. FEMA does do cash advances. But they are conservative estimates.

1B: 8.2 Rep. Poolman asked about section 3 regarding steamline project for UND, the state would be responsible if section 3 passed through? Replied, not sure due to language "any remaining claims" not sure how to interpret that.

1B: 9.5 Rep. Byerly commented on discussion with Senate and their concern with new projects and new claims.

1B: 10.4 Chairman Dalrymple asked if there will be budgeting for deficiency appropriation next biennium. Replied yes, \$16.2 million dollars for next biennium. Personally, likes the bank idea.

1B: 11.6 Doug Friez commented there are no new claims. Every disaster has an incident period. Damage that takes place has to be during incident period. Trying to find most appropriate way to deal with claims during incident period.

1B: 13.0 Jerry Hjelmstad, ND League of Cities testified in favor of original bill (See attached written testimony).

1B: 14.4 John Schmisek, Director of Finance and Administrative Services Grand Forks testified in favor of original bill (See attached written testimony).

Chairman Dalrymple closed the hearing on Senate Bill 2016.

General Discussion

- Committee on Committees
- Rules Committee
- Confirmation Hearings
- Delayed Bills Committee
- House Appropriations
- Senate Appropriations
- Other

Date March 23, 1999			
Tape Number	Side A	B Side	Meter #
1		x	11.1-25.2
Committee Clerk Signature <i>Casey Davis</i>			

Minutes:

SB 2016

CHAIRMAN DALRYMPLE opened discussion on SB 2016.

1B: 11.1 CHAIRMAN DALRYMPLE presented amendment 0204 for the committee's consideration.

1B: 13.6 REP. SVEDJAN asked if Section 5 of the amendment takes into account those cases where there is pending litigation. Chairman Dalrymple responded that the process for filing a claim is well-defined. It is pre-approved by FEMA, sent it, and is then subject to funding based on local and state matching shares. This would be considered a claim filed.

1B: 16.1 REP. POOLMAN asked if this amendment takes the place of the entire Section 3 of the bill. Chairman Dalrymple said that it does, but it was not picked up in the drafting of the amendment.

1B: 18.0 REP. DELZER suggested that language be put in to direct Grand Forks to pay 5% and the state to pay 5%. Chairman Dalrymple said that by statute, in an emergency the Governor has the authority to commit funds to recovery costs. This was not done. In essence, the committee is following the decree of a Governor in an emergency.

1B: 21.3 REP. MONSON said that in regards to the time frames and deadlines for submitting claims to the state, the 2001 legislature would be able to readdress the issue if there were a problem with claims dragging behind.

CHAIRMAN DALRYMPLE closed discussion on SB 2016.

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2016

Page 1, line 2, after "management" insert "; and to provide for the filing and paying of disaster claims relating to the spring 1997 Red River flooding"

Page 1, line 13, replace "55,738,332" with "62,738,332"

Page 1, line 14, replace "59,155,037" with "66,155,037"

Page 1, line 15, replace "58,230,947" with "65,230,947"

Page 1, after line 16, insert:

"SECTION 2. APPROPRIATION. All federal funds received by the division of emergency management, for expenditures for projects at the university of North Dakota, in excess of those funds appropriated in Section 1 of this Act are hereby appropriated for the biennium beginning July 1, 1999, and ending June 30, 2001."

Page 2, line 3, after the period insert "Notwithstanding any other provision of law, a political subdivision may borrow funds from the Bank of North Dakota, through September 30, 2001, for any amount needed for the state's matching share of disaster payments to be paid by the political subdivision in accordance with this section."

Page 2, after line 7, insert:

"SECTION 5. FINAL SETTLEMENT OF SPRING 1997 FLOOD DISASTER CLAIMS - EMERGENCY MANAGEMENT, EMERGENCY COMMISSION, AND BUDGET SECTION APPROVAL. Before September 1, 2001, all disaster claims relating to the spring 1997 flooding in the Red River valley must be presented for final payment unless otherwise authorized by the legislative assembly. During the 1999-2001 biennium, the division of emergency management may request that loans be made by the Bank of North Dakota to affected political subdivisions, including school districts, for only those disaster claims that have been approved by the division of emergency management, the emergency commission, and the budget section of the legislative council."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

DEPARTMENT 512 - DIVISION OF EMERGENCY MANAGEMENT

HOUSE - This amendment adds \$7 million of federal funds to the grants line item to reflect increased federal funds. The amendment also adds a section appropriating any additional federal funds received for disaster projects at the university of North Dakota.

This amendment requires all spring 1997 Red River Valley flooding disaster claims to be presented before September 1, 2001, unless otherwise authorized by the Legislative Assembly. The amendment also allows political subdivisions, including school districts, to borrow from the Bank of North Dakota for funds needed to pay the state's matching share of disaster payments relating to the spring 1997 flood. It is intended that final settlement of these loans will be

addressed through deficiency appropriations and the final settlement and distribution date is September 1, 2001, unless otherwise determined by the 2001 Legislative Assembly.

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2016

Page 1, line 2, after "management" insert "; and to provide for the filing and paying of disaster claims relating to the spring 1997 Red River flooding"

Page 1, line 13, replace "55,738,332" with "62,738,332"

Page 1, line 14, replace "59,155,037" with "66,155,037"

Page 1, line 15, replace "58,230,947" with "65,230,947"

Page 1, after line 16, insert:

"SECTION 2. APPROPRIATION. All federal funds received by the division of emergency management, for expenditures for projects at the university of North Dakota, in excess of those funds appropriated in section 1 of this Act are hereby appropriated for the biennium beginning July 1, 1999, and ending June 30, 2001."

Page 1, replace lines 21 through 24 with:

"SECTION 4. FINAL SETTLEMENT OF SPRING 1997 FLOOD DISASTER CLAIMS - EMERGENCY MANAGEMENT, EMERGENCY COMMISSION, AND BUDGET SECTION APPROVAL. Before September 1, 2001, all disaster claims resulting from the governor's disaster declaration relating to the spring 1997 flooding in the Red River valley must be presented for final payment unless otherwise authorized by the legislative assembly. During the 1999-2001 biennium, the division of emergency management may request that loans be made by the Bank of North Dakota to affected political subdivisions, including school districts, for only those disaster claims that have been approved by the division of emergency management, the emergency commission, and the budget section of the legislative council."

Page 2, remove lines 1 through 7

Re-number accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

DEPARTMENT 512 - DIVISION OF EMERGENCY MANAGEMENT

HOUSE - This amendment adds \$7 million of federal funds to the grants line item to reflect increased federal funds. The amendment also adds a section appropriating any additional federal funds received for disaster projects at the university of North Dakota.

This amendment requires all spring 1997 Red River Valley flooding disaster claims to be presented before September 1, 2001, unless otherwise authorized by the Legislative Assembly. The amendment also removes Section 3 which provided that the Division of Emergency Management and the University of North Dakota were not to borrow from the Bank of North Dakota in order to match federal funds relating to the spring 1997 flood in the Red River Valley. The section also provided that the impacted political subdivision was required to pay the state's share of the federal match in addition to the local share of the federal match in order to receive federal emergency management agency funds.

Date: 3-29-99

Roll Call Vote #: 1

1999 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 2016

House APPROPRIATIONS Committee _____

Subcommittee on _____
or
 Conference Committee

Legislative Council Amendment Number 0205

Action Taken DO PASS AS AMENDED

Motion Made By WENTZ Seconded By AARSVOLD

Representatives	Yes	No	Representatives	Yes	No
Chairman Dalrymple	X		Nichols		X
Vice-Chairman Byerly	X		Poolman	X	
Aarsvold	X		Svedjan	X	
Bernstein	X		Timm		X
Boehm	X		Tollefson	X	
Carlson		X	Wentz	X	
Carlisle	X				
Delzer		X			
Gulleson	X				
Hoffner	X				
Huether	X				
Kerzman	X				
Lloyd	X				
Monson	X				

Total (Yes) 16 No 4

Absent _____

Floor Assignment DALRYMPLE

If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE

SB 2016, as engrossed: Appropriations Committee (Rep. Dalrymple, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (16 YEAS, 4 NAYS, 0 ABSENT AND NOT VOTING). Engrossed SB 2016 was placed on the Sixth order on the calendar.

Page 1, line 2, after "management" insert "; and to provide for the filing and paying of disaster claims relating to the spring 1997 Red River flooding"

Page 1, line 13, replace "55,738,332" with "62,738,332"

Page 1, line 14, replace "59,155,037" with "66,155,037"

Page 1, line 15, replace "58,230,947" with "65,230,947"

Page 1, after line 16, insert:

"SECTION 2. APPROPRIATION. All federal funds received by the division of emergency management, for expenditures for projects at the university of North Dakota, in excess of those funds appropriated in section 1 of this Act are hereby appropriated for the biennium beginning July 1, 1999, and ending June 30, 2001."

Page 1, replace lines 21 through 24 with:

"SECTION 4. FINAL SETTLEMENT OF SPRING 1997 FLOOD DISASTER CLAIMS - EMERGENCY MANAGEMENT, EMERGENCY COMMISSION, AND BUDGET SECTION APPROVAL. Before September 1, 2001, all disaster claims resulting from the governor's disaster declaration relating to the spring 1997 flooding in the Red River valley must be presented for final payment unless otherwise authorized by the legislative assembly. During the 1999-2001 biennium, the division of emergency management may request that loans be made by the Bank of North Dakota to affected political subdivisions, including school districts, for only those disaster claims that have been approved by the division of emergency management, the emergency commission, and the budget section of the legislative council."

Page 2, remove lines 1 through 7

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

DEPARTMENT 512 - DIVISION OF EMERGENCY MANAGEMENT

HOUSE - This amendment adds \$7 million of federal funds to the grants line item to reflect increased federal funds. The amendment also adds a section appropriating any additional federal funds received for disaster projects at the university of North Dakota.

This amendment requires all spring 1997 Red River Valley flooding disaster claims to be presented before September 1, 2001, unless otherwise authorized by the Legislative Assembly. The amendment also removes Section 3 which provided that the Division of Emergency Management and the University of North Dakota were not to borrow from the Bank of North Dakota in order to match federal funds relating to the spring 1997 flood in the Red River Valley. The section also provided that the impacted political subdivision was required to pay the state's share of the federal match in addition to the local share of the federal match in order to receive federal emergency management agency funds.

1999 SENATE APPROPRIATIONS

CONFERENCE COMMITTEE

SB 2016

1999 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. ENGROSSED SB 2016C

Senate Appropriations Committee

Conference Committee

Hearing Date 4/6/99

Tape Number	Side A	Side B	Meter #
2	3900-end		
Committee Clerk Signature <i>Georgia Anderson</i>			

Minutes:

SENATOR GRINDBERG: Opened the conference committee meeting on engrossed SB 2016.

ROLL CALL: Present: Senators Grindberg, Andrist, Lindaas; Representatives Dalrymple, Boehm, Kerzman.

SENATOR GRINDBERG: It appears there are two areas of differences between the House and Senate.

REP. DALRYMPLE: The House looked at the grant line, line 13. Testimony we received on the House side was that we could or should restore an additional \$7M for authority for federal funds if we would be so lucky to have them show up in the upcoming biennium, primarily for use at UND. That may be more than is necessary, but we wanted to be sure we had it covered. If the authority is not used, nothing bad happens. Section 2 - appropriates those dollars if they show up. Section 4 - replaces your Section 3. We didn't think it was right to make the political subdivisions pick up the state's share. We felt that was not the intent of the original executive order. We struggled, as you did about how to account for this, with so many uncertainties about the final resolution of these expenditures. We came up with Section 4 that says all new findings resulting from the Governor's Disaster Declaration, relating to the Spring-97 flooding of the Red River Valley. That language pinpoints the claims that would be eligible. They must be presented for final payment unless otherwise authorized by the assembly. Final payment is much different than original approval. the approval may date back to a time prior to now. The actual payment of the last dollar can drag out for a long time. The Division of Emergency Management has been authorized to request that loans be made by the Bank of North Dakota, for only those claims that have been approved by the Division of Emergency Management, Emergency Commission, and the budget section of the Legislative Council.

SENATOR GRINDBERG: How often does the budget section meet?

REP. DALRYMPLE: The timing concern should not be an issue as long as they are allowed the authority to borrow funds from the Bank of North Dakota. All that we are really talking about is a final resolution down the road. I assume the borrowing authority can come in advance of an anticipated need.

SENATOR GRINDBERG: That only relates then to the disaster of the "97" Flood?

REP. DALRYMPLE: That is right, normally they would come to the Emergency Commission and ask for a borrowing authority. Then it would be forwarded to the Legislature for a request as a deficiency appropriation. What we are doing here is a little different, we are saying that 2nd step is going to be extended. The actual repayment of the bank loans will be determined by the next legislative assembly.

KAREN BOHR - OMB: Clarification of Section 4 - you are saying that it is only for the "97" disaster and not any future disaster declaration?

REP. DALRYMPLE: That is correct. We think this is the only time that we are going to have such a large additional amount of money to deal with.

KAREN BOHR - OMB: I think there is some concern that it may jeopardize our federal funds, but I am not sure.

DOUG FRIEZ - EMERGENCY MANAGEMENT: The budget section meets every three months. Sometimes we can have things ready that are ready to process and ready to pay out and we may have some lax time in there between getting budget section approval and being able to issue the check. That may cause the local governments to have to borrow the money they have the authority to borrow, based on that. It would pose them an interest cost that they really do not want to see. The only thing that I would think that I am not in 100% agreement is the budget section approval. We have had occasion to have the Emergency Commission in the meeting say we approve this based on the budget sections approval. It may be better to leave it as it is and make that call at the time we do come to the Emergency Commission rather than placing it in this bit of legislation. We could have the potential for a cash flow problem at the local level. It could be a cash flow problem at our level too, but there is a good system for solving that.

SENATOR GRINDBERG: Regardless of what language is in Section 4, how would this jeopardize federal funds?

DOUG FRIEZ - EMERGENCY MANAGEMENT: Jeopardizing may be a bit strong. When we sign a federal/state agreement, we pledge to process funds as soon as possible, immediately once all the parties are in agreement. The project being done properly and release of funds is appropriate. Sometimes this could come immediately after the last Emergency Commission meeting. Sometimes it can leave us with a 3 month claim period.

SENATOR GRINDBERG: If we are only talking about payment regarding Spring "97" flood, what is the potential. It should not be surprising when six months from now, or nine months from now, I would think that most things should be known at this point.

DOUG FRIEZ - EMERGENCY MANAGEMENT: We know them, but we don't know when we need to have the money in the bank to pay it out. We like to keep the interest rates down. We are talking about a three month delivery.

REP. DALRYMPLE: I don't think there is any problem in asking for borrowing authority for the coming three months, and having it turn out that you have more authority than you need. All you need to do is anticipate what might happen and be sure that you have that lined up, and then you can borrow it the day you need it.

DOUG FRIEZ - EMERGENCY MANAGEMENT: I have sort of a concern that if we were granted approval by the Emergency Commission, if the language is in there that the budget section needs to approve it, would we run the risk of getting the approval of the Emergency Commission and having the budget section not approve it.

REP. DALRYMPLE: There are people in the assembly and people on the budget section who are concerned that they get a look at these large dollar amounts as they move through. It may not be the people in this room. I can't imagine the budget section refusing to pay the bill. I don't believe we can leave them out of the picture.

DOUG FRIEZ - EMERGENCY MANAGEMENT: Getting that borrowing authority early on does not pose a problem. I think that the idea of the intention of this whole bit of legislation is to try to move these close outs as quickly as possible. Tradition has been that some of these close outs take a long time. The only concern I have is with the budget section language of the amendment.

SENATOR GRINDBERG: When the bill went on the Senate side, the \$7M cost overruns was a concern. Do you have any information to share with us on the projection?

DOUG FRIEZ - EMERGENCY MANAGEMENT: We are still very close to that. There has not been any movement because we have sort of flood event in that area of the state. Those figures are still accurate.

SENATOR GRINDBERG: I would assume the cost overruns are running alongside those estimates?

SENATOR ANDRIST: I move that the Senate accede to the House Amendments.

SENATOR LINDAAS: I second the motion.

ROLL CALL: 6 yeas; 0 nays; 0 absent & not voting.

MOTION CARRIED

SENATOR GRINDBERG: The Conference Committee hearing on SB2016 was closed.

(Bill Number) SB 2016 (, as (re)engrossed):

Your Conference Committee

Attendance	SENATORS	Vote
P	Grindberg	Y
P	Andrist	Y
P	Lindaas	Y

Attendance	REPRESENTATIVES	Vote
P	Dalrymple	Y
P	Boehm	Y
P	Kerzman	Y

recommends that the (SENATE/HOUSE) (ACCEDE to) (RECEDE from)
723/724 725/726 8724/8726 8723/8725
the (Senate/House) amendments on (SJ/HJ) page(s) 1005 - 1006

and place SB 2016 on the Seventh order.
727

. adopt (further) amendments as follows, and place
_____ on the Seventh order:

having been unable to agree, recommends that the committee be discharged
and a new committee be appointed. 690/515

((Re)Engrossed) _____ was placed on the Seventh order of business on the calendar.

DATE: 4 1 6 1 99

CARRIER: Sen. Grindberg

LC NO. 98038 . 0205 of amendment

LC NO. 98038 . 0200 of engrossment

Emergency clause added or deleted _____

Statement of purpose of amendment _____

(1) LC (2) LC (3) DESK (4) COMM.

REPORT OF CONFERENCE COMMITTEE

SB 2016, as engrossed: Your conference committee (Sens. Grindberg, Andrist, Lindaas and Reps. Dalrymple, Boehm, Kerzman) recommends that the **SENATE ACCEDE** to the House amendments on SJ pages 1005-1006 and place SB 2016 on the Seventh order.

Engrossed SB 2016 was placed on the Seventh order of business on the calendar.

1999 TESTIMONY

SB 2016

Department 512 - Division of Emergency Management
 Senate Bill No. 2016

	FTE Positions	General Fund	Other Funds	Total
1999-2001 Executive Budget	20.00	\$930,703	\$65,239,670	\$66,170,373
1997-99 Legislative Appropriations	20.00	299,635	15,597,093	15,896,728 *
Increase (Decrease)	0.00	\$631,068	\$49,642,577	\$50,273,645

* This amount has been adjusted to \$180,955,478 as a result of adjustments relating to Emergency Commission approvals.

Major Items Affecting Division of Emergency Management 1999-2001 Budget

	General Fund	Other Funds	Total
1. Special fund increases related to Emergency Commission approvals for disaster declarations		\$165,058,750	\$165,058,750
2. Special fund decreases due to the completion of the 1993, 1994, 1995, and 1997 snow disasters		(113,938,757)	(113,938,757)
3. Provides for a funding source change for the state and local assistance program due to the program changing from being 100 percent federal funds to a 50/50 state/federal match	\$611,874	(611,874)	
4. Decreased federal fund receipts and related decrease in state funds	(14,982)	(880,695)	(895,677)

Major Legislation Affecting the Division of Emergency Management

At this time, no major legislation has been introduced affecting this agency.

SB 2016
1/18/99

①

North Dakota

Division of Emergency Management



EDWARD T. SCHAFER
GOVERNOR

MAJ. GEN. KEITH BJERKE
ADJUTANT GENERAL

DOUGLAS C. FRIEZ
STATE DIRECTOR

To: Senator David E. Nething
Chairman of Appropriations Committee

From: *Danf* Douglas C. Friez, Director
North Dakota Division of Emergency Management

Subject: SB 2016 - 1999-2001 Budget Request for The Division of Emergency Management

Date: January 18, 1999

Following are comments on SB 2016, the budget request for the Division of Emergency Management for the 1999-2001 biennium.

I. **Funding Sources**

The Division's request is for \$915,721 in general fund money. Based on the Governor's proposed salary package, the executive recommendation for general fund expenditures for the Division will be \$930,703.

Actually, it will take about \$4.3 million dollars (\$4,326,258) to ensure effective day-to-day emergency management for our citizens during the upcoming biennium. Our other sources of income are the Federal Government, \$3,145,931 and our special funds Hazardous Chemical Preparedness and Response Program fee system, \$249,624.

Our traditional Federal sources include our major contributor, the Federal Emergency Management Agency (FEMA), as well as significantly lesser amounts from the Environmental Protection Agency and the United States Department of Transportation.

As we have indicated would happen in Division budget hearings during the 54th and 55th legislative sessions, contributions from FEMA for support of day-to-day emergency management preparedness programs will be cut significantly during the next biennium and into the future.

The federal government insists that states need to take more responsibility for the cost of preparation for natural disasters.

Nearly one-half of our budgeted dollars are passed directly to local governments and other state agencies. This pass-through money includes 50 percent of the special funds fee system money I mentioned. Those fees come from about 3,000 North Dakota businesses that use, store, or sell hazardous chemicals. In return, we help ensure compliance and safety for those facilities and the communities in which they are located. Additionally, the Hazardous Chemical Preparedness and Response Program enables us to access about \$150,000 in federal grant monies for planning and training enhancements at the local level.

Let me assure you, this Division of Emergency Management budget request is in total agreement with the executive budget recommendation for our agency.

II. **Agency Mission and Background**

We can be very proud of Emergency Management in North Dakota. Our state staff is a team of experienced, dedicated, highly professional, and well-trained state employees.

Over the years, I have personally witnessed the unselfishness of this group of people. They consistently place the well being of the citizens of North Dakota among their top priorities, and oftentimes ahead of family and personal priorities. Positive customer service is not new to the Division, and will continue to be a major goal.

Our mission is to provide a statewide system for effective mitigation, preparation for, response to, and recovery from manmade or natural disasters.

Our full-time staff of 20 is also dependent on temporary staff during disaster response and recovery. Currently we have 13 temporary staff working disaster recovery programs. During the summer of 1997, we had over 75. We believe this demonstrates that we are sincere when we promise to be "right-sized" to do our job.

During the past biennium, North Dakota experienced the most devastating natural disaster in our state's history, plus two other significant disasters, the 1997 snow disaster and the 1998 flood. The Division has thus far helped generate over \$1/2 billion in federal assistance for individuals and governments as a result of managing the recovery effort of those disasters and previous flood disasters of 1993, 1994, 1995 and 1996.

Now, we are not suggesting that the Division is in the economic development business. We are simply saying that the mission we assist in performing, "protection of lives, property, and the environment" is an essential responsibility of government. In North Dakota, we are performing that mission effectively, will continue to do so, and will not over burden our state's taxpayers in doing so. In fact, we will continue to make emergency management pay, rather than cost.

We believe government has several responsibilities as related to multi-hazard emergency management. They include: alerting and informing the public about potential danger; assessing the situation; activating volunteers; supporting emergency response; as well as restoration and recovery.

To meet these responsibilities, we embark on a comprehensive and ambitious annual workplan emphasizing emergency plan development and maintenance, resource management, and extensive training and exercise efforts.

All 53 counties have emergency managers appointed by and responsible to the county board of commissioners. In some cases, these emergency managers are part-time and in a few cases (usually in more heavily populated areas), they are half-time or full-time. In all cases, they are responsible to assist county officials in organizing and coordinating preparedness efforts. These people are funded 50 percent local and 50 percent with the federal pass-through money referred to earlier.

A significant portion of the Division's workload is directed at assisting these local efforts.

More specifically, the Division develops and maintains a state emergency operations plan which identifies who does what, and how. Task assignments are made to the various state agencies within the plan. We are currently completing major revisions of that plan. The revision efforts consist of dialogue with staff of nearly 40 state agencies whose day-to-day expertise is identified for possible utilization in response, recovery, and mitigation. These state agencies are committed to these assignments and do a tremendous job when called upon. We also assist local and tribal governments in plan development and maintenance.

We develop, conduct, and sponsor special training classes and seminars for hundreds of officials and emergency services personnel annually. Some classes are designed for response personnel, some feature professional development and management level training.

The Division and its statewide emergency management team sponsors several public education and emergency/disaster awareness programs annually.

Many years ago, we learned that you cannot just develop plans, identify resources, place equipment and supplies in strategic locations, and train key people. We have learned that to conduct effective emergency and disaster operations, this combination of resources must also be exercised. Annually, thousands of North Dakota officials and responders participate in effective emergency exercises. The exercises are systematically evaluated so enhancements can result. Very shortly we will be involving key state agency leaders in an exercise of our enhanced state plan and remodeled Emergency Operations Center.

Thanks to your support during the 55th legislative assembly, we have nearly completed that Emergency Operations Center rehabilitation. We have some finishing touches to accomplish but it is ready for activation.

We also coordinate state response to over 150 incidents per year in support of local efforts. About one-half deal with hazardous materials spills or releases. Next come weather-related incidents. There are also floods, rural fire problems, and search missions to contend with. Usually, most of these require minimal state efforts (a few, to several hours, for a couple of people), however, about a dozen events per year require extended operations and state-level commitments by several state employees. Major declarations, like the Presidential Declarations since 1993 are usually rare, especially on a nationwide basis, but require substantial long-term recovery efforts.

Often times emergency management teams plan, train, exercise, plan, train, exercise, etc. In North Dakota, your emergency management team plans, trains and exercises. In addition, we execute, and we execute effectively.

III. **Future**

Our vision for the future is *“to build a disaster resistant state.”*

Providing effective emergency management is a never-ending task. Resources change, so plans must be updated. Training requirements are constant, because our manpower resources are mobile and dynamic. Keeping state of the art equipment for data management, communications, and operational response is challenging and sometimes expensive.

We remain in a dangerous situation regarding 1999 flood potential. This past December we actually had flooding in Dickey and Sargent counties that was extremely aggravating to those impacted. Especially in the east, the bathtub is full. Each drop of additional precipitation is going to end up where someone does not want it.

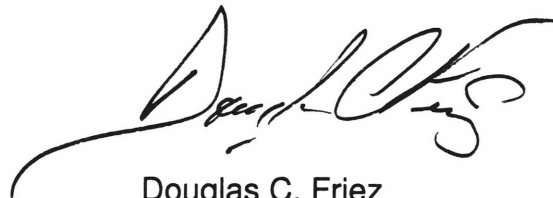
As you can see, in the past we have been heavily dependent on federal dollars to accomplish our mission. Over the years, we have received those federal dollars. The time, which we alerted you to in testimony during previous legislative sessions, has now come, the federal government will provide less cash.

We are asking for a significant general fund increase this biennium. This is not a one-time request. It is the future of emergency management. Be assured, with this request, we are not growing our organization. We are adjusting the source of funds from the federal taxpayer to the state taxpayer. Maybe this makes sense. We certainly believe state government can be more efficient than federal government. Our proposed spending plan for the next biennium actually represents almost a 10% decrease from all sources of income.

In the meantime, be assured we will continue to be an effective emergency management team.

Thank you for your support and interest. Please contact me for any further clarification or justification regarding this request.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Douglas C. Friez", written in a cursive style.

Douglas C. Friez



March 2, 1999

Representative Byerly, Vice Chair
House Appropriations Committee
56th Legislative Assembly
State of North Dakota

Re: SB 2016

Dear Representative Byerly:

An amendment to SB 2016 regarding the responsibility of local funding for the State's share of FEMA funds is of concern to the City of Wahpeton. Currently the City has approximately \$413,000 of remaining funds for DSR's with the Division of Emergency Management. These funds will be spent in 1999.

The City was granted a time extension until October 7, 1999 by the Division of Emergency Management for the DSR's that total the \$413,000. A copy of the extension is attached and it does not address any change in funding allocation as a result of the extension.

If the City is to pick up the State's 5% share of "remaining claims" it will cost us in excess of \$20,000, an amount we have not planned on. When Disaster No. 1174 was declared, the funding process was defined and the City proceeded on that basis. Changing the funding allocation at this time does not seem proper as the local financial needs have already been addressed.

Please consider this concern when the amendment is discussed.

Sincerely,

A handwritten signature in cursive script that reads "Bud".

Duane M. Schmitz
Mayor

CC: HOUSE APPROPRIATIONS COMMITTEE

North Dakota

Division of Emergency Management



EDWARD T. SCHAFER
GOVERNOR

MAJ. GEN. KEITH BJERKE
ADJUTANT GENERAL

DOUGLAS C. FRIEZ
STATE DIRECTOR



September 30, 1998

City of Wahpeton
Jerry C. Lein, Director of Public Works
120 N 4th Street
Wahpeton, ND 58075

RE: City of Wahpeton-FEMA-1174-DR-ND-077-82660
Time Extension for DSRs 06033,41718,41720

Dear Mr. Lein:

Your request on behalf of City of Wahpeton concerning a time extension for the Damage Survey Report's listed above has been approved by the State of North Dakota.

The original approved closing date for this project was October 7, 1998. This closing date has now been extended to October 7, 1999.

If you have any questions, please contact a member of the Public Assistance staff at 1-800-773-3259. Thank you.

Sincerely,

Janell Quinlan
Public Assistance Officer

JQ/dr

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From: "Narum, Harold G." <hnarum@state.nd.us>
To: "peggy_lucke@mail.und.nodak.edu" <peggy_lucke@ma...>
Date: Thu, Mar 4, 1999 1:35 PM
Subject: FW: FEMA Cost Overrun Definition

For your information this is what I provided Senator Grindberg as a definition of "COST OVERRUN"

I sure hope this helps!

-----Original Message-----

From: Narum, Harold G.
Sent: Wednesday, March 03, 1999 5:10 PM
To: Grindberg, Tony S.
Cc: Friez, Douglas C.
Subject: FEMA Cost Overrun Definition

We have been contacted by UND and asked to provide a clarification to you about the use of the term "cost-overrun" in the context of the information I provided in a memo on February 3, 1999. This memo was regarding Public Assistance Program projects that will be paid after the end of the Biennium, and in this memo it was indicated that UND will have \$7Million in cost overruns relating to projects that are in progress and will be completed early in the next biennium.

Clearly the term "cost overrun" as it is used in the memo is a term that defines the difference between the cost estimate established at the time the Damage Survey Report (DSR) is approved and the actual cost of projects after they has been bid.

When FEMA approves a project, they establish a "Scope-of-Work" for that project and they also estimate the cost of that project. As rule, they're cost estimates are conservative, because they do not want to influence bid prices. Also, they set a lower estimated cost so they don't run the risk of over-paying the applicant prior to closeout and have to ask the applicant to return funds.

Thus the term "Cost Overrun" is a term that FEMA uses to refer to the difference between the estimated cost at the time the DSR is written and the cost of completing the project after it has been bid according to state and federal fair bidding regulations. This additional cost is routinely paid at the time of the closeout.

The hearing for SB 2016 is on Friday March 5th at 9:00 AM in the Roughrider Room before the full house committee.

*FAX to Leggy
Lueke
return to Laura*

North Dakota

Division of Emergency Management



EDWARD T. SCHAFER
GOVERNOR

MAJ. GEN. KEITH BJERKE
ADJUTANT GENERAL

DOUGLAS C. FRIEZ
STATE DIRECTOR

TO: Senator Tony Grindberg
Senate Appropriations Committee

FROM: *D.C. Friez* Douglas C. Friez
State Director

SUBJECT: SB 2016 – Appropriations Bill for the Division of Emergency Management.

As requested we are providing a list of major projects in Grand Forks that are part of the grants line item *within our appropriation request for the 2000 – 2001 Biennium.*

Public Assistance Program

- 1. Grand Forks Housing Demolition \$ 3.5 Million
(Approximately 600 units @ \$6,000. Per unit)
 - 2. Grand Forks County Office Building..... \$ 3.7 Million
 - 3. Grand Forks Sewer Repair..... \$10.7 Million
 - 4. UND Steam Line replacement \$18.0 Million
 - 5. Cost over-runs on existing UND Projects \$ 7.0 Million
 - 6. Engineering & Project Management Fees \$ 2.5 Million
- Total \$45.4 Million

If you have further questions feel free to contact either Harold Narum or I at 328-3300.

Division of Emergency Management



EDWARD T. SCHAFER
GOVERNOR

MAJ. GEN. KEITH BJERKE
ADJUTANT GENERAL

DOUGLAS C. FRIEZ
STATE DIRECTOR

To: Representative Jack Dalrymple, Chairman
House Appropriations Committee

From: Douglas C. Friez, Director
North Dakota Division of Emergency Management

Subject: SB 2016 - 1999-2001 Budget Request for The Division of Emergency Management

Date: March 5, 1999

Today, I am here to testify in support of the original Senate Bill 2016. I request that you pass Senate Bill 2016, the executive budget recommendation for the Division of Emergency Management, as originally submitted at the request of the Governor, without Senate amendments.

I. **Funding Sources**

The Division's request is for \$915,721 in general fund money. Based on the Governor's proposed salary package, the executive recommendation for general fund expenditures for the Division is \$930,703.

Actually, it will take about \$4.3 million dollars (\$4,319,645) to ensure effective day-to-day emergency management for our citizens during the upcoming biennium. Our other sources of income are the Federal Government, \$3,145,931 and our special funds Hazardous Chemical Preparedness and Response Program fee system, \$249,624.

Our traditional Federal sources include our major contributor, the Federal Emergency Management Agency (FEMA), as well as significantly lesser amounts from the Environmental Protection Agency and the United States Department of Transportation.

As we have indicated would happen in Division budget hearings during the 54th and 55th legislative sessions, contributions from FEMA for support of day-to-day emergency management preparedness programs will be cut significantly during the next biennium and into the future.

The federal government insists that states need to take more responsibility for the cost of preparation for natural disasters.

Nearly one-half of our budgeted dollars are passed directly to local governments and other state agencies. This pass-through money includes 50 percent of the special funds fee system money I mentioned. Those fees come from about 3,000 North Dakota businesses that use, store, or sell hazardous chemicals. In return, we help ensure compliance and safety for those facilities and the communities in which they are located. Additionally, the Hazardous Chemical Preparedness and Response Program enables us to access about \$150,000 in federal grant monies for planning and training enhancements at the local level.

This Division of Emergency Management budget request is in agreement with the executive budget recommendation for our agency.

II. **Agency Mission and Background**

We can be very proud of Emergency Management in North Dakota. Our state staff is a team of experienced, dedicated, highly professional, and well-trained state employees.

Over the years, I have personally witnessed the unselfishness of this group of people. They consistently place the well being of the citizens of North Dakota among their top priorities, and oftentimes ahead of family and personal priorities.

Our mission is to provide a statewide system for effective mitigation, preparation for, response to, and recovery from manmade or natural disasters.

Our full-time staff of 20 is also dependent on temporary staff during disaster response and recovery. Currently we have 13 temporary staff working disaster recovery programs. During the summer of 1997, we had over 75. We believe this demonstrates that we are sincere when we promise to be "right-sized" to do our job.

During the past biennium, North Dakota experienced the most devastating natural disaster in our state's history, plus two other significant disasters, the 1997 snow disaster and the 1998 flood. The Division has thus far helped generate over \$1/2 billion in federal assistance for individuals and governments as a result of managing the recovery effort of those disasters and previous flood disasters of 1993, 1994, 1995 and 1996.

The mission we assist in performing, "protection of lives, property, and the environment" is an essential responsibility of government. In North Dakota, we are performing that mission effectively, will continue to do so, and will not over burden our state's taxpayers in doing so. In fact, we will continue to make emergency management pay, rather than cost.

We believe government has several responsibilities as related to multi-hazard emergency management. They include: alerting and informing the public about potential danger; assessing the situation; activating volunteers; supporting emergency response; as well as restoration and recovery.

To meet these responsibilities, we embark on a comprehensive and ambitious annual workplan emphasizing emergency plan development and maintenance, resource management, and extensive statewide training and exercise efforts.

All 53 counties have emergency managers appointed by and responsible to the county board of commissioners. In some cases, these emergency managers are part-time and in a few cases (usually in more heavily populated areas), they are half-time or full-time. In all cases, they are responsible to assist county officials in organizing and coordinating preparedness efforts. These people are funded 50 percent local and 50 percent with the federal pass-through money referred to earlier.

A significant portion of the Division's workload is directed at assisting these local efforts.

More specifically, the Division develops and maintains a state emergency operations plan which

identifies who does what, and how. Task assignments are made to the various state agencies within the plan. We have very recently completed major revisions of that plan. The revision efforts consist of dialogue with staff of nearly 40 state agencies whose day-to-day expertise is identified for possible utilization in response, recovery, and mitigation. These state agencies are committed to these assignments and do a tremendous job when called upon. We also assist local and tribal governments in plan development and maintenance.

We develop, conduct, and sponsor special training classes and seminars for hundreds of officials and emergency services personnel annually. Some classes are designed for response personnel, some feature professional development and management level training.

The Division and its statewide emergency management team sponsors several public education and emergency/disaster awareness programs annually.

Many years ago, we learned that you cannot just develop plans, identify resources, place equipment and supplies in strategic locations, and train key people. We have learned that to conduct effective emergency and disaster operations, this combination of resources must also be exercised. Annually, thousands of North Dakota officials and responders participate in effective emergency exercises. The exercises are systematically evaluated so enhancements can result. This month, we will be involving key state agency leaders in an exercise of our enhanced state plan and remodeled Emergency Operations Center.

Thanks to your support during the 55th legislative assembly, we have nearly completed that Emergency Operations Center rehabilitation. We have some finishing touches to accomplish but it is operational.

We also coordinate state response to over 150 incidents per year in support of local efforts. About one-half deal with hazardous materials spills or releases. Next come weather-related incidents. There are also floods, rural fire problems, and search missions to contend with. Usually, most of these require minimal state efforts (a few, to several hours, for a couple of people), however, about a dozen events per year require extended operations and state-level commitments by several state employees. Major declarations, like the Presidential Declarations we have had since 1993 are usually rare, especially on a nationwide basis, but require substantial long-term recovery efforts.

Often times emergency management teams plan, train, exercise, plan, train, exercise, etc. In North Dakota, your emergency management team plans, trains and exercises. In addition, we execute, and we execute effectively.

III. **Future**

Our vision for the future is "*to build a disaster resistant state.*"

Providing effective emergency management is a never-ending task. Resources change, so plans must be updated. Training requirements are constant, because our manpower resources are mobile and dynamic. Keeping state of the art equipment for data management, communications, and operational response is challenging and sometimes expensive.

We remain in a dangerous situation regarding 1999 flood potential. This past December we actually had flooding in Dickey and Sargent counties that was extremely aggravating to those impacted. Especially in the east, the bathtub is full. Each drop of additional precipitation is going to end up where someone does not want it. Last week, I met with local officials and citizens in eastern North Dakota regarding preparedness efforts for potential flooding in 1999. Anxieties are extremely high.

IV. **Conclusion**

As you can see, in the past we have been heavily dependent on federal dollars to accomplish our day-to-day mission. Over the years, we have received those federal dollars. The time, which we alerted you to in testimony during previous legislative sessions, has now come, the federal government will provide less cash.

We are asking for a significant general fund increase this biennium. This is not a one-time request. It is the future of emergency management. Be assured, with this request, we are not growing our organization. We are adjusting the source of funds from the federal taxpayer to the state taxpayer. Our proposed spending plan for the next biennium actually represents almost a 10% decrease for day-to-day operations from all sources of income.

In the meantime, be assured we will continue to be an effective emergency management team.

Thank you for your support and interest. Please contact me for any further clarification or justification regarding this request. Are there any questions?

North Dakota Emergency Management

Provides a statewide system for effective mitigation, preparation for, response to, and recovery from, manmade or natural disasters;

- has 20 fulltime staff and is also dependent on temporary staff during disaster response and recovery;
- will help generate over \$1/2 billion in disaster assistance to state and local governments and individuals for disasters of '93, '94, '95, '96,'97, and '98 (this does not include agricultural assistance programs);
- for day-to-day operations, we ask the state to provide about \$450 thousand per year which generates \$1.5 million per year in federal funds for preparedness.

Prepares and maintains a state emergency operations plan which provides for:

- alerting and informing the public;
- assessing the situation;
- activating volunteers;
- supporting emergency response;
- restoration and recovery.

Provides emergency planning, training, and program assistance to 53 counties, their cities, tribal governments, as well as state government:

- maintains statewide public education program;
- ensures emergency plans are exercised;
- manages a Hazardous Chemicals Preparedness and Response Program;
- provides a center for coordinating state level emergency operations;
- maintains dialogue with federal support resources.

University of North Dakota
SB 2016
House Appropriations Committee - March 5, 1999

The Division of Emergency Management has provided Senator Grindberg with supplemental information regarding the Public Assistance Program portion of their biennial budget request. The memo to Senator Grindberg includes a line item identified as "Cost overruns on existing UND projects.....\$7.0 million." The reference to "cost overruns" raised concerns.

In this situation, "cost overruns" is used by FEMA in reference to eligible actual project costs as compared to DSR (Damage Survey Report) estimates. FEMA wrote up the DSR's immediately following the disaster, wherein they defined the scope of the project and estimated a cost to complete that scope of work. Harold Narum, Division of Emergency Management, has provided an explanation of FEMA's DSR process and their use of the term "cost overruns" in an email to Senator Grindberg, which I will provide for you.

As UND has accumulated information to keep you apprized of the status of our recovery and its cost, we have consistently used estimates of actual cost, that being costs incurred to date plus projected cost to completion. The deficiency appropriation request UND submitted is based upon the projected total cost to complete the scope of work as defined by the DSR's. As such, the request includes the match on costs FEMA refers to as "cost overruns," which again are in fact legitimate project costs in excess of DSR estimates.

Deficiency Appropriation Request (SB 2026) to House
Appropriation Committee 2/26/99:

10% Cost Share (on projected expenditures to 6/30/99)	\$ 2,538,181
10% Cost Share on expenditures after July 1, 1999 to be included in Deficiency Appropriation next biennium (steam line)	<u>\$1,700,000</u>
Total Projected Match Requirement as of 3/4/99	\$4,238,181

The deficiency appropriation request was submitted per directions from OMB, with specific instructions not to include the match for expenses that would be incurred after July 1, 1999, in the current biennium deficiency appropriation. We were advised the match for costs incurred after July 1, 1999, should be included in a deficiency appropriation in the next biennium.

The expenditures referred to as "cost overruns" relate to large projects, most of which will be completed by June 30, 1999. The steam line replacement and storm sewer repair projects will continue into the next biennium. We are currently working with FEMA in the close out process for the large projects that have been completed.

Attached is an "Interim Estimated Cost Summary". Note that the difference between the FEMA estimate and the UND projected estimate is approximately \$7 million.

**University of North Dakota
Disaster 1174-DR Severe Flooding**

**Interim Estimated Cost Summary
Updated: March 4, 1999**

	<u>FEMA Estimate (1)</u>	<u>UND Projected Estimate (2)</u>
327 FEMA Approved Projects (3)	\$44,059,199	\$50,764,200
6 Projects Pending Approval (4)	\$726,753	\$788,000
333 Total Projects	\$44,785,952	\$51,552,200
UND Projected Estimate (333 Projects)		\$51,552,200
Less Insurance Proceeds Identified by FEMA (5)		\$6,635,976
Estimated Total FEMA Eligible Cost		\$44,916,224
Total Estimated FEMA Share (6)		\$40,678,043
Total Estimated State Share (7)		\$4,238,181

(1) Based on estimates prepared or calculated by FEMA inspectors.

Sources are Barton Malowe (construction manager), Plant Services and department reports.

(3) Represents approved projects with obligated FEMA funds.

(4) Represents projects in review and expected to be approved by FEMA.

(5) Reported values were determined by FEMA as "recoverable" through existing insurance policies.

This figure is still subject to fluctuation.

(6) Based on 90% of projected FEMA eligible costs for permanent work for Category C-G and 100% of Category A&B emergency work, as defined by the FEMA-State Agreement.

(7) Based on 10% of projected FEMA eligible costs for permanent work, as defined by the FEMA-State Agreement.

BEFORE THE 56TH LEGISLATIVE ASSEMBLY OF NORTH DAKOTA

**John M. Schmisek – Testimony
House Appropriations Committee
SENATE BILL 2016
March 5, 1999**

Chairman Dalrymple and members of the committee, thank you for allowing me to testify on this bill. I am John Schmisek, Director of Finance and Administrative Services for the City of Grand Forks. I submit this testimony on behalf of the City of Grand Forks in support of adequate funding for the Division of Emergency Management (DEM). The Division's efforts and resources were vital to our city's flood fighting efforts. Of equal or greater value has been the support Grand Forks has received from DEM as we recover from the flood.

We are in support of adequate funding for the DEM, but we have some concerns with the last minute amendments to the appropriations bill, in particular Section 3. The amendment has the potential for a significant and devastating financial impact upon the City of Grand Forks. The financial impact could be approximately \$7 million. In fact, the amendment has the potential for devastating financial impact upon all of Grand Forks' governmental entities; School District, Park District and County.

Basically our concern is with the ambiguous drafting of Section 3 and its undetermined intent:

First, what does “remaining claims” mean?

- A. Damage Survey Reports (DSRs) not submitted?
- B. Submitted DSRs not finalized by FEMA?
- C. DSRs under appeal?

Second, what entities are contemplated under the phrase “affected political subdivision”? Does it mean City, Park District, County, School District, or other governmental entities?

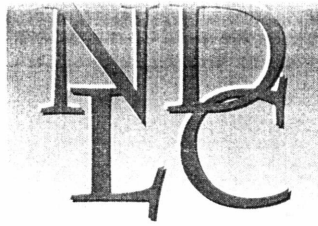
The bill has the potential of shifting cost to local government. The 1997 Presidential disaster declarations were state wide for ice, snow, blizzards, Devils Lake flooding and Red River flooding. The amendment only addresses Red River flooding. The amendment changes the cost sharing as proposed by the Governor and DEM. It also alters present methods of funding, by making local government totally responsible for the non-federal share of costs. The City of Grand Forks has relied upon the present understanding of methods of payment.

Under the amendment, the local government is obligated to assume the 5% state's share, but the circumstances are not clear. Does the language of the amendment (page 2, lines 2-3) mean that the 5% state contribution is to be paid for the respective DSRs that "remains pending", or does the language also include previously submitted DSRs? Exactly what does "if it accepts funding from the Federal Emergency Management Agency" mean? The City of Grand Forks would interpret such a phrase as directly relating to any remaining DSRs to be acted upon by FEMA.

We would like to suggest two amendments;

First, on page 2, line 2, insert "for each remaining claim" between "share" and "if it accepts".

Second, add to the end of the bill, page 2, after line 7, "For purposes of this section, 'remaining claims' means damage survey reports (DSR) originally filed by any political subdivision for damage resulting from the 1997 Red River flood to FEMA and the North Dakota Division of Emergency Management after August 1, 1999."



North Dakota League of Cities

House Appropriations Committee

Senate Bill 2016

March 5, 1999

Members of the House Appropriations Committee, it is my pleasure to present written testimony in favor of SB 2016. The Division of Emergency Management has a long-standing partnership with local government regarding emergency management.

In its instructional role, DEM provides essential training for city personnel and decision-makers. When DEM is called to assist cities and counties during disaster response, the division provides strong support. When the local capabilities are overwhelmed, that state support is critical. In 1994, there were 3 dozen federally-declared disasters. There were roughly 300 state-declared disasters and there were *17,000 locally-declared disasters*. It is not difficult to imagine the importance of this state-local partnership.

The DEM staff members are teachers and coaches and workers. Their ability to work with, support, and not supplant, the local response was never better demonstrated than during the string of disasters in 1997.

One week after the dikes were breached in Grand Forks, the League of Cities was asked to assist the Division of Emergency Management and the North Dakota National Guard with the burgeoning problem of donated goods. The generosity of people around the country quickly overwhelmed local capabilities and it was clear that a state presence would be necessary. The League, with assistance from DEM and FEMA personnel, quickly constructed a management system and for four months, helped take in, warehouse and distribute tons of clothing, appliances, food, water, bicycles, cleaning supplies—airplane hangers full of goods. We used 3 hangars in Grand Forks and a warehouse in Cassleton, and the buildings were repeatedly filled and emptied. Our staff had a unique opportunity to experience the talents of ND National Guard members and the DEM staff.

On behalf of the League's 361 member cities, **thank you** for the support the legislature has given to emergency management. This local, state and federal partnership works very well.

You may have heard some concerns from cities in the Red River Valley regarding the section 3 amendment attached to SB 2016 in the Senate. No doubt you can imagine the concern of cities who have made, and are implementing, plans based on a different cost share formula. These are costs the affected cities, counties, park districts and school districts cannot afford. It is our hope your committee will work with DEM to address this important issue.

Again, thank you for your support.

Division of Emergency Management

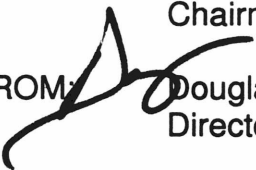


EDWARD T. SCHAFER
GOVERNOR

MAJ. GEN. KEITH BJERKE
ADJUTANT GENERAL

DOUGLAS C. FRIEZ
STATE DIRECTOR

TO: Representative Jack Dalrymple
Chairman, Appropriations Committee

FROM:  Douglas C. Friez
Director, Division of Emergency Management

SUBJECT: SB 2016 Division of Emergency Management Budget Hearing
Follow-up Information

DATE: March 10, 1999

During our budget hearing on Friday, March 5, 1999, three questions were raised, for which, we were unable to provide immediate answers. The following are responses to those questions:

- 1) What is the relationship between the temporary staff and existing open disasters and will that translate to reduced staff as each disaster is closed out?

The answer to that question gets somewhat involved because the bulk of the workload is with the 1997 catastrophic event recovery.

Currently, we have 12 temporary staff members employed. In the Spring of 1997 almost immediately after the Grand Forks catastrophic event, we had 75 temporary recovery staff assisting with FEMA recovery programs. Most of these were paid at a 90/10 cost share, some at 75/25. The fact that by the fall of 1998 we had reduced this to 13 and, as of now, to 12 demonstrates that as our disaster workload decreases, we reduce our temporary staff accordingly. Attachment #1 is a staffing chart for the Division and the following is an explanation of the temporary positions found on that chart.

We have a ¼ time staff member working on closing out the Individual & Family Grant Program for Disaster 1220 (1998 Flood).

In the Public Assistance Program we have 6¾ people working on four open disasters. For Disaster 1174 (1997 Flood) we have 2¾ people working Public Assistance. (The ¾ time employee spends the remainder of his time as the staff person, described above with the Individual Assistance Program for Disaster 1220). In addition, the Public Assistance

Program has one staff member working on closing out Disaster 1050 (1995 disaster), one staff person working on closing out Disaster 1118 (1996 disaster) and one staff person working on Disaster 1220 (1998 disaster). Also, 1 clerical person is assigned to support the Public Assistance Staff. It should be noted that as the earlier disasters are closed out the staff assigned to those disasters would be reassigned to work on closing out the 1174 catastrophic event. Currently, the workload for 1174 can be handled by 2 ¾ staff members, because many of the applicants are working on the construction/repair phase of these projects. As that phase winds down the Public Assistance Staff workload will increase significantly to conduct the mandatory on-sight inspections and documentation necessary to close out 1174 and 1220.

In the Hazard Mitigation Grant Program (HMGP) we currently have five staff members. Two staff members are assigned to working with state and local applicants to initiate, obtain approval from FEMA and manage the various Hazard Mitigation Projects. The Chart below depicts the numbers of projects being managed for each disaster:

DISASTER NO.	YEAR	TOTAL PROJECTS	OPEN	CLOSED OUT
1001	1993	27	2	25
1032	1994	5	4	1
1050	1995	16	6	10
1118	1996	14	7	7
1174	1997	55	55	0
1220	1998	15	15	0
Total		132	89	43

Two, Hazard Mitigation planners work directly with counties to help them prepare Hazard Mitigation Plans. This has been initiated by FEMA and the state as a part of the disaster recovery process to help local jurisdictions study, identify and prioritize measures that should be taken to mitigate future disasters. This effort will place local jurisdictions in a position to be able to speed up future Hazard Mitigation Grant Program activities by having projects identified so when Hazard Mitigation funds become available they can move forward in a more timely manner. The fifth temporary staff member in this program provides clerical support.

- 2) What is the fiscal impact on local government should the legislature require local governments in the Red River Valley Counties to pay the entire non-federal share of the 1997 flood disaster recovery costs remaining after June 30, 1999?

Attachment #2 is a breakdown of the anticipated remaining large projects for all applicants in the six Red River Valley Counties and reflects a \$7.6 Million additional cost to them if they are required to pay the state share. (We have been told by the Senate Appropriations Committee that the intent of their amendment to SB2016 is that the affected political

subdivisions referred to are only those applicants in the six counties along the Red River.)

3) What is the breakdown of funds requested for Information Technology Equipment?

Managing information is an important part of the Division of Emergency Management's ability to perform its vital function during emergency and disaster events. We have recently been able to move back into the State Emergency Operations Center (EOC) and it is vital that we have equipment that meets standards set by the Federal Emergency Management Agency (FEMA) in order to interface with software programs they provide. FEMA Office Automation Hardware Baseline Configuration Standards include a minimum 333 MHz for a stand alone CPU and a minimum 233MHz for Laptops. However, further guidance indicates to us that to get maximum performance 350 MHz or larger is recommended.

It is also necessary for the Division to maximize our equipment by purchasing laptop computers that allow us to utilize them not only from our existing offices, but also from the EOC or from the disaster area, if necessary. We need to be able to interface with the state EOC and other federal, state and local agencies in order to effectively support emergency and disaster mitigation, preparedness, response and recovery.

The fourteen computers referred to in our budget are laptop computers the size and speed recommended by FEMA. These computers also afford us the capability to utilize the Emergency Information System (EIS), a software system designed to aid in the management of information and resources in response to disasters. Our staff has been trained in the use of this software and is using it on a daily basis to track the 150 incidents reported to us annually that require some degree of state agency support or technical assistance. The EIS software was extremely beneficial in responding to the 1997 catastrophic event. Since that event this software program has been enhanced and requires more powerful hardware.

We are also requesting three printers to replace existing printers that were purchased in 1991/92 and are worn out. The funds requested for these printers will also provide enough memory to allow for graphic intensive printing capability.

As you are aware, we have just opened a new 36-station EOC. The second Windows NT server platform will enable North Dakota Emergency Management to do multicasting over PC's in our EOC, plus give the capability to run our own web server. Windows NT is the preferred primary platform to do multicasting. Multicasting is the ability to display numerous types of information from multiple sources, (i.e., live video via satellite feed, television signals, and data and map presentations) to be

accessed, simultaneously, at different and numerous locations throughout the State EOC. Be assured, the Division of Emergency Management will not provide a pool of up-to-date laptop computers to accommodate the 36 stations. Instead, agencies will be responsible to supply their own computer resources when operating from the EOC.

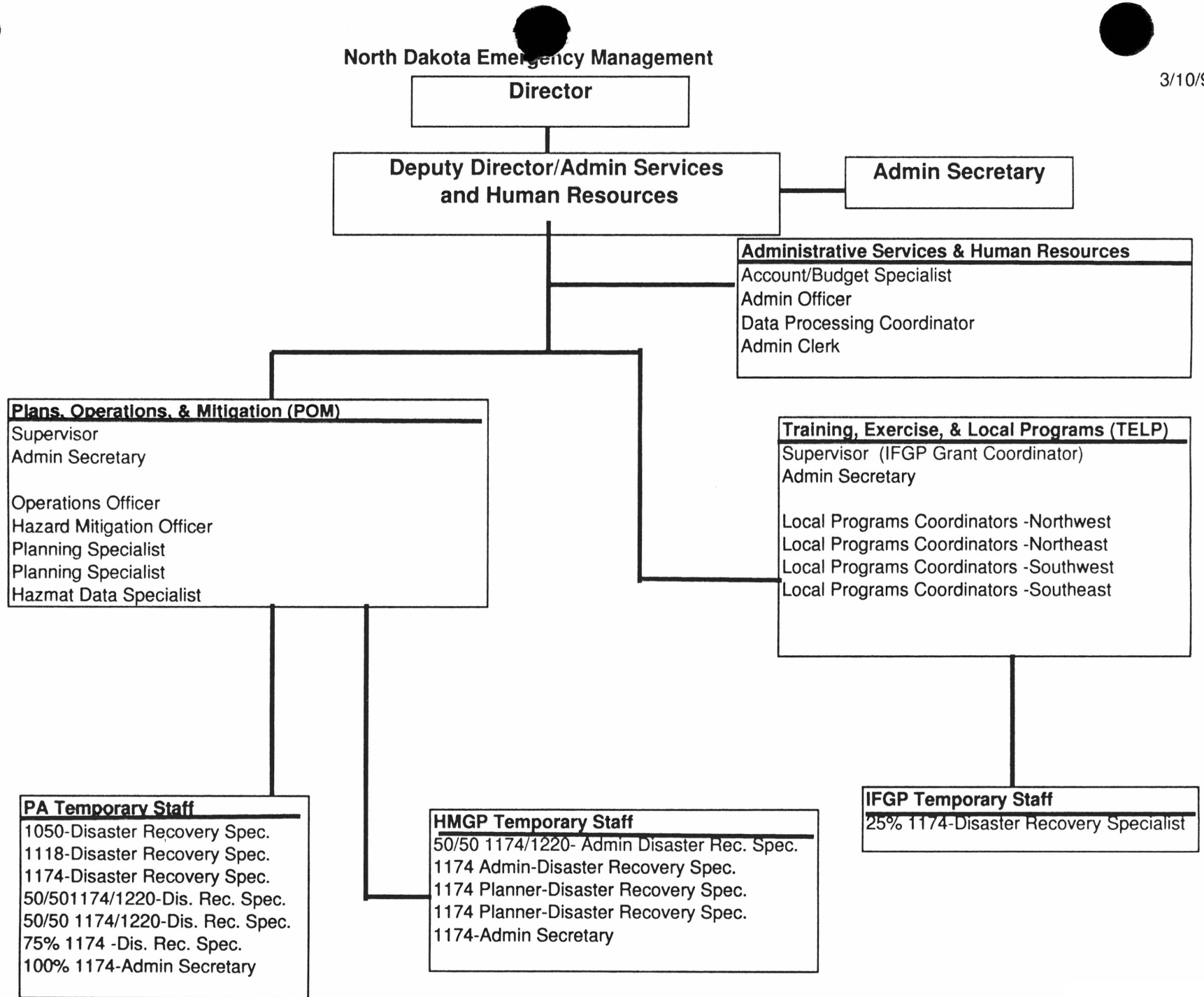
Currently we utilize a Novell NetWare Server for our daily operations. This affords us a stable platform that meets FEMA's Office Automation Software Baseline Configuration Standard for Network Operating Systems. All of the Software that FEMA provides us is designed to be implemented on this platform. However, Novell Operating Systems platforms do not have the capability to run multicasting software.

My staff and I remain available at (701) 328-8100 to assist with final language for SB2016.

North Dakota Emergency Management

3/10/99

Attachment 1



Plans, Operations, & Mitigation (POM)
 Supervisor
 Admin Secretary
 Operations Officer
 Hazard Mitigation Officer
 Planning Specialist
 Planning Specialist
 Hazmat Data Specialist

Administrative Services & Human Resources
 Account/Budget Specialist
 Admin Officer
 Data Processing Coordinator
 Admin Clerk

Training, Exercise, & Local Programs (TELP)
 Supervisor (IFGP Grant Coordinator)
 Admin Secretary
 Local Programs Coordinators -Northwest
 Local Programs Coordinators -Northeast
 Local Programs Coordinators -Southwest
 Local Programs Coordinators -Southeast

PA Temporary Staff
 1050-Disaster Recovery Spec.
 1118-Disaster Recovery Spec.
 1174-Disaster Recovery Spec.
 50/50 1174/1220-Dis. Rec. Spec.
 50/50 1174/1220-Dis. Rec. Spec.
 75% 1174 -Dis. Rec. Spec.
 100% 1174-Admin Secretary

HMGP Temporary Staff
 50/50 1174/1220- Admin Disaster Rec. Spec.
 1174 Admin-Disaster Recovery Spec.
 1174 Planner-Disaster Recovery Spec.
 1174 Planner-Disaster Recovery Spec.
 1174-Admin Secretary

IFGP Temporary Staff
 25% 1174-Disaster Recovery Specialist

AS OF 3/4/99 THESE PROJECTS ARE ESTIMATED TO BE PAID IN THE NEXT BIENNIUM

APPLICANT	FEDERAL	STATE	LOCAL
PEMBINA COUNTY	0	0	0
Cavalier	25,176	12,063	12,588
Drayton	38,140	19,206	19,206
Pembina	65,160	3,620	3,620
St. Thomas	11,037	2,649	2,649
Pembina Airport	254,488	14,138	14,138
Pembina Co. WRD	5,805	3,029	3,029
Total	400,076	54,705	55,230
TRAILL COUNTY	87,378	11,987	15,402
RICHLAND COUNTY	28,428	1,579	5,962
Wahpeton	255,977	20,651	20,651
Richland Co. WRD	82,662	32,660	32,660
Wahpeton Park Board	581,404	32,307	31,056
Total	948,471	87,197	90,329
WALSH COUNTY	342,517	19,029	19,029
Grafton	87,533	48,613	48,613
Total	430,050	67,642	67,642
CASS COUNTY			
Fargo	361,980	20,110	20,110
GRAND FORKS COUNTY	659,601	252,711	0
Grand Forks	6,212,272	1,589,521	0
GGF Senior Citizens	13,406	7,447	7,447
MINNKOTA	346,471	117,576	117,576
Nodak Electric	429,285	41,089	41,089
St. Mary's School	214,662	11,926	11,926
St. Michael's School	57,258	31,810	31,810
United Hospital	120,152	6,675	6,675
LISTEN Inc	4,245	2,358	2,358
GF Public Schools	0	3,199,645	0
Total	8,057,352	5,260,758	218,881
Est Projects Pending(GF,GF Co.)	18,360,000	2,040,000	0
Miscellaneous Projects(GF,School)	900,000	100,000	0
Total	19,260,000	2,140,000	0
TOTAL	29,545,307	7,642,399	467,594