

MICROFILM DIVIDER

OMB/RECORDS MANAGEMENT DIVISION

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ROLL NUMBER

DESCRIPTION

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2001 HOUSE APPROPRIATIONS

HB 1017

2001 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1017

House Appropriations Committee
Government Operations Division

Conference Committee

Hearing Date January 11, 2001

Tape Number	Side A	Side B	Meter #
1/11/01 tape #1	0 - 2547		
Committee Clerk Signature <i>Kasli Hall</i>			

Minutes:

The committee was called to order.

We have before us the hearing on HB 1017, for the Adjutant General. Welcome to our committee, General.

Brigadier General Michael Haugen: Has prepared written testimony. My name is Brigadier General Mike Haugen, Adjutant General for North Dakota. I want to brag about the North Dakota National Guard, and its great citizens and the support they receive from the state. On page 2 of the handout it explains the number of personnel, Army Guard has authorized strength of 3,414 persons and assigned strength of 3,262. Air Guard has authorized strength of 1,087 and assigned strength of 1,060. The Guard employs 959 full time persons, of which 133 are state FTE's with 40 equivalent FTE's supported with state general funds. On page 3 of the written testimony it is explained where the guard personnel have traveled and the missions they have been on, nationally and internationally.

On page 4 of the written testimony it is explained that the Guard is working on a new mission of getting into space missions and homeland defense, consistent with the constitutional intent of the organized Guard. I am here today to thank you for your past support, and request continued support.

We support the governor's recommended budget, and want to go over line items of the proposed budget with you:

Page 5 - Salaries and Wages - increases are due to current legislative salary adjustment, reclassification of existing FTE's and market competitive increases to maintain work force. We are also requesting 3 additional FTE's for the last 6 months of the 2001-2003 biennium to support the new Wahpeton Center. The Deputy Adj. General position has been funded for one year. The Governor's budget also includes special fund authority of \$247,853 for the 3 FTE's and summer temporaries at the Veteran's Cemetery. These funds are currently funded with interest income from both the Veterans Post War Trust Fund and the Veterans Cemetery Foundation.

Page 6 & 7 - Operating Expenses - increases in Governor's recommendation is for some inflationary increases, due to utility costs for the new Wahpeton Center. The budget also includes \$11.5 million in federal authority to construct a new 90,508 sf Armed Forces Reserve Center in Wahpeton. This facility will house Company B of the 142nd Engineer Battalion, and a Marine Corp Reserve Infantry Company, who does not currently have a ND presence. The existing armory does not have enough space, and cannot be expanded. The construction will be 100% federally funded, but we must budget operational costs for the last 6 months of the 2001-2003 biennium, and we will be paying only a portion of the operational costs.

We have asked for an emergency clause to be added to this item of our bill. The National Guard Bureau has already authorized federal funding with the request that we make a contract award in Spring of 2001. We would like to begin the bid process as early as possible, and take full advantage of the construction season.

Page 8 - The capital improvement line also has \$107,950 in general fund spending which includes \$34,000 for payments in lieu of real estate taxes for lands at Camp Grafton South, and \$73,950 bond repayment for the Grand Forks Armory from the 93-95 biennium. Grants (rental of community armories) contains rental payments for 19 community owned armories partially occupied by the Guard throughout the state. A decrease is in our budget due to the vacation of the Mandan armory. We are the administrative agency for the Civil Air Patrol. The only increase is from the Governor's proposed salary increase for the 1 FTE.

Page 8 & 9 - We revised our tuition fee program to a more equitable and affordable program for our agency and the state colleges and universities. Approximately 500 students receive benefits per semester. We have learned that the number of students taking a full load was higher than what we had originally projected, and have requested an additional \$40,000 for this program. Our request includes a small increase in general fund dollars for Air Guard Contracts which is proportionate to increased federal funds requested for inflationary increases in operations and salaries. The initial budget request also included a small increase in general fund support for Army Guard Contracts which is proportionate to increased federal funds requested for inflationary increases in operations, mainly due to salary increases.

Points out that the Guard provides a positive economic impact of approximately \$213 currently, and projected \$230 million in the 2001-2003 biennium, throughout the whole state. See the bubble chart attached to the written testimony.

Rep. Koppelman: Is the tuition program successful in keeping retention?

Response: Yes. It has been working well. We did a good job in starting the system, and now working in the improvements. It first relied on the university system to participate. If there was any deficiency, the university system made up the difference, not the National Guard. Now the student receives a \$500 per semester (full time student) grant from us while attending a 4-year school - includes BSC, Mary College, Jamestown College- and the university waives 25% of the tuition costs, and there are other financial aids available. This has been a very big boon for us in recruiting and retention. I have no exact figures, but it certainly has benefited us.

Rep. Carlisle: Are there any updates on the Cemetery?

Response: The Cemetery has over 1450 burials and is being used. Current funds comes from the Cemetery Foundation and Veterans Trust Funds. It is a model for the nation on state cemeteries. The number of burials is growing, and the funds in the Foundation are growing.

Rep. Skarphol: How is the Foundation funded?

Response: The Foundation Fund is building by personal donations. The Foundation Board is not using the principal. There are 2 funds used for the cemetery - the Veteran's Trust Fund, generated by portion of license plate sales, and the other is the nonprofit Foundation.

Rep. Skarphol: Is the Wahpeton facility to be in a new location?

Response: Yes. It is a proposed new location in the north section of the city. It will be a much larger, shared facility. Because it is shared with the Marines, it will be federally funded. The old location reverts back to the city.

Rep. Byerly: Why is the Grand Forks armory funded differently - bond repayment- than the Wahpeton armory?

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Response: In Grand Forks there was a state participation, in Wahpeton there is the multiple shared division, so we can get federal funding. In the past the bonds were included in the Industrial Commission budget.

Rep. Byerly: I also have a question regarding the Cemetery. Have we resolved the problem with VA internment's and National Guard payments.

Response: I believe this has been resolved.

Rep. Byerly: There is a HB 1165 that may change requirements on the tuition assistance program. Will the impact on your budget be addressed.

Response: I withdrew that bill yesterday.

John Dwyer: North Dakota National Guard Officers and Enlisted Association. I am a traditional guardsman and legislator also. I have served in the guard for the past 25 years. We appreciated the past support and request future support in the budget requests.

Hearing closed.

2001 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1017

House Appropriations Committee
Government Operations Division

Conference Committee

Hearing Date January 17, 2001

Tape Number	Side A	Side B	Meter #
01-17-01 tape #2		1250-1840	
Committee Clerk Signature <i>Kathie Hall</i>			

Minutes:

The committee was called to order, and opened committee work on HB 1017, the Adjutant General's budget bill.

Chairman Byerly: This bill is a little more complicated and involved than the previous bill. This bill has not been assigned yet, because the budget is big, and there are lots of concerns and considerations. There has been a new armory requested in Wahpeton, and they have FTE's for maintenance personnel for the last 6 months of the biennium, and all these persons end up being general fund persons. They also wanted some money for maintenance and repairs and then we will start getting calls from other cities that have armories and they will be lobbying for that then. Item #4, is a money transfer for a bond thing, and then contracts for the army and air guard. Tuition assistance is another increase requested. We will probably see a fiscal note on HB 2158, if it does end up passing. Not expecting that to be a lot of money.

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(Some discussion as to the bill already passed on the floor - HB 1180- and the gist of that bill and what affects that may have on this bill).

Rep. Skarphol: Questioned the maintenance increase request, and whether or not they maintained any buildings before.

Roxanne, LC: Explained that she thought the maintenance expense request is not for armory maintenance, but rather for owned buildings, or roads, like Fraine Barracks, Camp Grafton, etc.

Rep. Byerly: Thought that he would be assigned to this budget, if no one objects.

The chairman closed the committee work on this bill.

2001 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1017

House Appropriations Committee
Government Operations Division

Conference Committee

Hearing Date February 1, 2001

Tape Number	Side A	Side B	Meter #
02-01-01 tape #1	860 - 3200		
Committee Clerk Signature <i>Kathleen Hall</i>			

Minutes:

The committee was called to order, and opened committee work on HB 1017.

Chairman Byerly: A subcommittee of the subcommittee took a trip out to the barracks and talked with the General about some concerns. The National Guard budget is fairly tough, because there is so much money tied up in different areas. A lot of their funds are federal, a lot isn't; they have the cemetery out by Mandan, that is a fiscal mess. Look at the pink sheet, I have some clarification there on item #3, the increased funding for maintenance and repairs. That money is not for community armories, that is just for state owned armories. There is another bill in the session that provides grants for local armories, on a 1 to 1 match, with a limit of \$25,000. This committee will see that bill shortly. (Gives some history about the intent to close armories back in Gov. Sinner's last budget. The armories were never closed, but the moneys for maintenance was never restored). There is no money funding even in this bill, for local armories. There are 19 community armories, and then the state owned armories. The local armories

operate under a different principal, because the local armories have local income. In the budget the grants line item for the local armories is about \$348,000. That line item is always smaller than the state owned armories.

Rep. Glassheim: There are 19 locally owned armories, and the cost to run these is in the grant line item of \$348,326.

Chairman Byerly: We also talked about the new armory in Wahpeton, and whether it will be on-line and if they really needed the three FTE's for the last six months. They could be behind in building the facility, and not really need this in the budget.

Rep. Koppelman: Wants some clarification as to the whole budgeting process. (General discussion as to agency spending, the penalties they suffer for exceeding their budget, and the fact that the agency would need to appear before the emergency commission or the budget section committee, or even worse, audit and fiscal review).

Chairman Byerly: We asked the General if he really needed the FTE's this biennium, and he said he could not tell, that if the construction season is favorable, and the bids come back in time, then yes. But if things go badly, then no. Hopefully the positions are not filled until the facility is built and they actually need the persons. These are just maintenance persons also that should be able to fill quickly. We do get some turnback of non-spent funds from some agencies. The end result is that we have not come up with any amendments for this budget. Both governor's recommendations had added in one optional item, other bills took care of the other requests, and some other requests were withdrawn.

Rep. Skarphol: Moves DO PASS . Rep. Carlisle seconded. Emergency clause noted.

Rep. Skarphol: Reminds the committee that this budget has a large one time expenditure in the building of the Wahpeton armory.

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Vote on Do Pass, 7 yes, 0 no. Bill passes, with the emergency clause.

Rep. Byerly is assigned to carry this bill to the full subcommittee.

2001 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB1017

House Appropriations Committee

Conference Committee

Hearing Date February 2, 2001

Tape Number	Side A	Side B	Meter #
1	x		1077 - 1870
Committee Clerk Signature <i>L. T. Johnson</i>			

Minutes:

House Appropriations Actions on HB1017.

Rep. Rex Byerly: HB1017 is the Adjutant General (National Guard) and I'm in charge of carrying that bill. Fundamentally what we did on this bill was leave it in tact as it came to us from both governor's. There was no change between Hoven and Schafer. Fundamentally, what's in this bill over and above what was there two years ago, is the big item of the construction of a new armory in Whapeton, were going from an old armory that existed post World War II with 25,000 square foot and were going to 94,000 square feet, and if you look on your pink sheets there are three new FTE positions for maintenance people at the new armory for the last 6 months of the biennium. In talking with the General and his staff, they are not sure if that armory will truly be on line for the last 6 months of the biennium, but they have to have these people in here in case that does exist. And if you look on the bill under section 3 on page 2 is an emergency clause for them to go ahead with the construction of the armory, the armory is being

