

**Adjutant General, including the National Guard and the Department of Emergency Services
Budget 540
Senate Bill No. 2016; House Bill No. 1014**

	FTE Positions	General Fund	Other Funds	Total
2007-09 legislative appropriation	232.00	\$21,844,307 ¹	\$121,751,063	\$143,595,370
2005-07 legislative appropriation	<u>193.00</u>	<u>25,660,901²</u>	<u>89,304,078</u>	<u>114,964,979</u>
2007-09 appropriation increase (decrease) to 2005-07 appropriation	39.00	(\$3,816,594)	\$32,446,985	\$28,630,391

¹This amount includes \$2,781,970 of one-time funding. Excluding this amount, the agency's ongoing general fund appropriation is \$19,062,337.

²This amount includes the 2005-07 deficiency appropriation of \$4.1 million from the general fund to the Adjutant General to repay the Bank of North Dakota for the state's share of disaster costs.

NOTE: The 2007-09 legislative appropriation amounts include \$116,884, of which \$41,494 is from the general fund, for the agency's share of the \$10 million funding pool appropriated to the Office of Management and Budget for special market equity adjustments for classified employees.

Item Description

Deficiency appropriation - The Legislative Assembly provided the Adjutant General a 2005-07 deficiency appropriation of \$4.1 million from the general fund to repay the Bank of North Dakota for the state's share of disaster costs.

One-time funding - In Section 9 of Senate Bill No. 2016, the Legislative Assembly identified \$2,781,970 from the general fund as one-time funding items. These items, which are summarized below, are not to be considered part of the agency's base budget for preparing the 2009-11 executive budget, and the Adjutant General is to report to the Appropriations Committees during the 2009 legislative session on the use of this funding.

Computer-aided dispatch project	\$980,000
Motorola lease purchase payment (general fund portion)	1,084,970
Special assessments	92,000
Deferred maintenance	625,000
Total	\$2,781,970

Status/Result

In May 2007 the Adjutant General made payments totaling \$4,550,394 to the Bank of North Dakota for repayment of the Bank of North Dakota line of credit obtained to pay the state's share of federal disaster relief funding. Of the \$4,550,394, \$4.1 million was from the 2005-07 deficiency appropriation and \$450,394 was from funds previously drawn down from the line of credit and not used.

The Adjutant General anticipates requesting a deficiency appropriation from the 2009 Legislative Assembly in the amount of \$3,298,000 to repay the Bank of North Dakota for the state's share of federal disaster relief costs.

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

Computer-aided dispatch project	The Adjutant General is working with the Information Technology Department to implement a computer-aided dispatch system for the Division of State Radio. The Adjutant General released a request for information on computer-aided dispatch systems in April 2008 and anticipates implementing a computer-aided dispatch system during the 2007-09 biennium.
Motorola lease purchase payment	In November 2004 the Department of Emergency Services entered into a lease purchase agreement in the amount of \$8.1 million with Motorola for the conversion of the Division of State Radio tower infrastructure and base equipment from analog to digital. The agency made an initial downpayment of \$2 million in December 2004. Annual payments thereafter have been and continue to be \$762,673. The agency is using the \$1,084,970 one-time funding from the general fund for the annual payment for fiscal year 2008 and a portion of the annual payment for fiscal year 2009. The following is a summary of the payments:

Fiscal Year	General Fund	Federal Funds (Homeland Security Funding)	Future Payments	Total
2005		\$2,000,000		\$2,000,000
2006		762,673		762,673
2007		762,673		762,673
2008	\$762,673			762,673
2009	322,297	440,376		762,673
2010			\$762,673	762,673
2011			762,673	762,673
2012			762,673	762,673
2013			762,673	762,673
Total	\$1,084,970	\$3,050,692	\$3,050,692	\$8,101,384
Special assessments	The Adjutant General used the funding for paying special assessments for state-owned property in Fargo from tax years 2004, 2005, and 2006. The total paid with interest was \$92,348.			
Deferred maintenance	The Adjutant General anticipates using all of the funding on maintenance and repair projects at state-supported facilities during the 2007-09 biennium.			

Salary equity and pay grade adjustments - The Legislative Assembly provided funding of \$300,000 from the general fund for salary equity and pay grade adjustments for State Radio employees based on a compensation plan established by the Adjutant General.

Armory lease payments and deferred maintenance grants - The Legislative Assembly provided funding of \$329,514 from the general fund for armory lease payments for the 2007-09 biennium. In addition, the Legislative Assembly provided funding of \$120,000 from the general fund for increasing armory lease payments or providing deferred maintenance grants to political subdivision-owned armories as determined appropriate by the Adjutant General.

The Adjutant General allocated the funding to 30 State Radio employees based upon employees' salaries compared to 90 percent of the current market average and seniority. The increases, which ranged from \$15 to \$834 per month, were in addition to the 4 percent salary increase for state employees effective July 1, 2007.

The Adjutant General allocated \$49,414 of the \$120,000 appropriated to provide a 15 percent increase in the lease payments provided to each political subdivision-owned armory. The following is a summary of armory lease payments for the 2007-09 biennium:

Valley City	\$29,804
Mayville	21,288
Bottineau	21,288
Cando	21,288
Carrington	21,288
Dickinson	21,288
Edgeley	21,288
Grafton	21,288
Hettinger	21,288
Jamestown	21,288
Lisbon	21,288
Mott	21,288
Oakes	21,288
Rugby	21,288
Hazen	14,902
Cavalier	14,902
Williston	21,288
Wishek	21,288
Total	\$378,928

The Adjutant General allocated the remaining \$70,586 to provide deferred maintenance grants to political subdivision-owned armories. The Adjutant General's office received requests for 78 deferred maintenance grants from various political subdivisions and selected 17 requests that the Adjutant General believes would be the most beneficial to National Guard morale and welfare, workplace improvements, operations, and security. The following is a summary of the selected requests and corresponding grant awards. The grants require a 100 percent match from the applying political subdivision:

City	Project	Estimated Cost	Grant Award
Bottineau	Install air-conditioning units	\$9,191	\$4,596
Mayville	Repair lower roof leak	12,600	6,300
Hettinger	Paint corridors and classrooms	1,200	600
Wishek	Aluminum entrance	7,193	3,597
Oakes	Update heating, wiring, and lights	18,103	9,052
Valley City	Replace areas under windows that held heating systems for rooms	2,842	1,421
Hazen	Fix bathrooms	3,535	1,767
	Repair doors and rekey locks	1,900	950
	Install new overhead door	3,794	1,897
Mott	Room and wall air-conditioning for classroom, day room, and National Guard room	2,800	1,400
	Newer-style fluorescent lights for office, classroom, and day room	1,500	750
Edgeley	Replacing flat roof	51,000	25,500
	Exterior door replacement	5,756	2,878
Cando	Repair leaking roof over drill floor	11,000	5,500
	Replace drill floor fixtures	4,775	2,388
Lisbon	Electrical outlets	3,684	1,842
Total		\$140,873	\$70,438

Tuition and enlistment compensation - The Legislative Assembly appropriated \$2,407,500 from the general fund for the tuition and enlistment compensation program, an increase of \$400,000 from the 2005-07 biennium appropriation of \$2,007,500. The additional \$400,000 is for recruitment and retention bonuses. The tuition and enlistment compensation program is a scholarship program providing approximately \$1,000 per semester for eligible students taking 12 or more credits. Students taking fewer than 12 credits receive lower payments. In addition, under North Dakota Century Code (NDCC) Section 37-07.1-03, the accredited postsecondary institution waives 25 percent of the total tuition cost for each eligible student.

The Adjutant General provided scholarships to 463 students for the fall 2008 semester under the tuition and enlistment compensation program. This is 13 more than the budgeted number of 450 students.

The Adjutant General has established a recruitment and retention bonus program under which soldiers who are commissioned as officers receive a bonus. The bonus for Army National Guard soldiers is \$6,500, and the bonus for Air National Guard soldiers depends on the number of participants. Through March 2008 the Adjutant General has spent \$208,000 of the \$400,000 appropriated for the program and has issued 32 bonuses to Army National Guard soldiers.

Veterans' bonus program - The Legislative Assembly extended the adjusted compensation program for veterans through the 2007-09 biennium and included nonresident members of the North Dakota National Guard.

Under the program, the Adjutant General provides payments of additional compensation to military members mobilized from December 5, 1992, through June 30, 2009. Pursuant to NDCC Sections 37-28-03 and 37-28-04, additional compensation payments consist of:

- \$50 per month for domestic service up to a total of \$900.
- \$100 per month for overseas service up to a total of \$1,800.
- \$2,500 to recipients of a Purple Heart.
- \$5,000 to beneficiaries of those who died as a result of service.

Section 6 of 2005 House Bill No. 1017, as amended by Section 10 of 2007 Senate Bill No. 2016, provides that any unexpended general fund appropriation authority relating to the \$5 million appropriated for the payment of adjusted compensation to veterans during the 2005-07 and 2007-09 bienniums is not subject to the provisions of NDCC Section 54-44.1-11 and must be transferred to the Veterans Cemetery trust fund during the 2009-11 biennium.

Line item transfer authority - Section 5 of Senate Bill No. 2016 provides that the Adjutant General may transfer up to \$500,000 from various line items to the operating expenses and capital assets line items for the maintenance and repair of state-owned armories during the 2007-09 biennium.

Department of Emergency Services Advisory Committee - Section 6 of Senate Bill No. 2016 provides legislative intent that the Adjutant General consider changing the membership of the Department of Emergency Services Advisory Committee, established pursuant to NDCC Section 37-17.1-02.2, to remove representatives of the Information Technology Department and the InfraGard and include representatives of the North Dakota Healthcare Association and North Dakota Sheriffs Association.

Emergency Commission approvals.

From inception of the program through March 2008, the Adjutant General has spent approximately \$2.9 million of the \$5.0 million appropriated for the veterans' bonus program for payments to 2,538 soldiers. The Adjutant General will be requesting authority to carry over any unspent funds and continue the program in the 2009-11 biennium.

At the present time, the Adjutant General does not anticipate requesting a transfer into the operating expenses and capital assets line items for the maintenance and repair of state-owned armories during the 2007-09 biennium.

The current members of the Department of Emergency Services Advisory Committee are:

Name	Organization
Major General David Sprynczynatyk	Adjutant General's office
Mr. Mark Johnson	North Dakota Association of Counties
Ms. Peggy Haug	North Dakota Emergency Medical Services Association
Mr. Shawn Kessel	North Dakota League of Cities
Mr. Tim Wiedrich	State Department of Health
Mr. Dean Pearson	North Dakota Emergency Management Association
Chief Charles Rummell	North Dakota Peace Officers Association
Mr. Bruce Schreiner	North Dakota Fire Services
Mr. Jerry Bergquist	North Dakota 911 Association
Mr. Jerry Kemmet	North Dakota Bureau of Criminal Investigation
Mr. Brad Erickson	North Dakota Healthcare Association
Sheriff Steve Bay	North Dakota Sheriffs Association

The Adjutant General has received Emergency Commission approval of the following requests:

- Authority to borrow \$1,951,000 from the Bank of North Dakota, pursuant to NDCC Section 54-16-13, for the state's share of disaster recovery expenses relating to natural disasters in 1997, 2004, 2005, and 2006. The

2007 Legislative Assembly provided special funds spending authority for the requested loan proceeds in the agency's 2007-09 biennium appropriation. The agency will seek a general fund deficiency appropriation for repayment of the loan. (#1639 - October 2007)

- Authority to borrow \$686,000 from the Bank of North Dakota, pursuant to NDCC Section 54-16-13, for the state's share of disaster recovery expenses relating to the natural disaster occurring in Northwood in August 2007. The 2007 Legislative Assembly provided special funds spending authority for the requested loan proceeds in the agency's 2007-09 biennium appropriation. The agency will seek a general fund deficiency appropriation for repayment of the loan. (#1640 - October 2007)
- Authority to borrow \$187,000 from the Bank of North Dakota, pursuant to NDCC Section 54-16-13, for the state's share of disaster recovery expenses relating to severe weather in the eastern and southeastern portion of the state in July 2007. The 2007 Legislative Assembly provided special funds spending authority for the requested loan proceeds in the agency's 2007-09 biennium appropriation. The agency will seek a general fund deficiency appropriation for repayment of the loan. (#1641 - October 2007)
- Authority to borrow \$474,000 from the Bank of North Dakota, pursuant to NDCC Section 54-16-13, for the state's share of disaster recovery expenses relating to severe weather in 13 counties located throughout the state in May and June 2007. The 2007 Legislative Assembly provided special funds spending authority for the requested loan proceeds in the agency's 2007-09 biennium appropriation. The agency will seek a general fund deficiency appropriation for repayment of the loan. (#1642 - October 2007)
- Approval for \$120,000 from the state contingencies fund appropriation for costs incurred by the North Dakota National Guard for providing operational support in Northwood following the August 2007 tornado. The Adjutant General received reimbursement of \$87,946 of the flood costs from the Federal Emergency Management Agency and reimbursed the state contingencies fund for that amount. (#1643 - October 2007)
- Approval to transfer \$45,000 of federal funds from the Department of Emergency Services' operating expenses line item to the capital assets line item for the purchase of a software add-on for the agency's web emergency operations center system. (#1655 - March 2008)
- Approval for \$52,100 from the state contingencies fund appropriation for costs incurred by the National Guard for assisting residents of Northwood with necessary repairs to damaged homes (\$48,000), providing the Department of Transportation with diesel fund supply assistance (\$2,236), and providing operational support in Mandan during a natural gas pipeline break (\$1,851). (#1656 - March 2008)