

**Adjutant General, including National Guard and the Department of Emergency Services
Budget 540
House Bill Nos. 1016, 1015; Senate Bill Nos. 2012, 2444**

| | FTE Positions | General Fund | Other Funds | Total |
|---|---------------|-------------------------------|--------------------|--------------------|
| 2009-11 legislative appropriation | 232.00 | \$40,745,214 ¹ | \$236,751,871 | \$277,497,085 |
| 2007-09 legislative appropriation | <u>232.00</u> | <u>70,666,860²</u> | <u>121,751,063</u> | <u>192,417,923</u> |
| 2009-11 appropriation increase (decrease) to 2007-09 appropriation | 0.00 | (\$29,921,646) | \$115,000,808 | \$85,079,162 |

¹This amount includes \$18,535,347 of one-time funding. Excluding this amount, the agency's ongoing general fund appropriation is \$22,209,867.

²This amount reflects the 2007-09 deficiency appropriation of \$5,822,553 from the general fund to the Adjutant General to repay the Bank of North Dakota for the state's share of disaster costs (\$4,822,553) and for emergency snow removal grants (\$1 million) and the transfer of \$43 million from the general fund to the state disaster relief fund in the 2007-09 biennium.

NOTE: The 2009-11 legislative appropriation amounts include \$100,000, of which \$20,000 is from the general fund, for the agency's share of the \$16 million funding pool appropriated to the Office of Management and Budget (OMB) for special market equity adjustments for executive branch employees.

Item Description

FTE changes - The 2009-11 biennium appropriation included funding for 232 FTE positions, the same as the 2007-09 biennium. The 2009 Legislative Assembly authorized the deletion of 5 FTE protection service worker positions and the addition of 1 FTE geographic information system specialist III position, 1 FTE systems mechanic III position, 1 FTE position for the reintegration program, 1 FTE computer and network specialist position, and 1 FTE emergency program specialist position.

One-time funding - The 2009 Legislative Assembly provided one-time funding to the Adjutant General of \$18,535,347. This amount is not to be considered part of the agency's base budget for preparing the 2011-13 executive budget and the Adjutant General is to report to the Appropriations Committees during the 2011 legislative session on the use of this funding. One-time funding items include:

| | |
|---|---------------------|
| Motorola lease purchase payment (HB 1016) | \$1,525,347 |
| Veterans' bonus multiple deployments (HB 1016) | 500,000 |
| Technology projects (HB 1016) | 3,600,000 |
| Technology equipment and software purchases (HB 1016) | 160,000 |
| Emergency and disaster recovery grants (HB 1015) | 250,000 |
| 2009 flood disaster funding (SB 2444) | 12,500,000 |
| Total | \$18,535,347 |

Status/Result

The Adjutant General has filled the 5 positions added by the 2009 Legislative Assembly.

The status of the one-time funding is as follows:

- Motorola lease purchase payment - The Adjutant General made the annual payment of \$762,674 in December 2009. The next payment will be made in December 2010.
- Veterans' bonus multiple deployments - The Adjutant General has spent \$115,600 of the \$500,000 general fund appropriation. With this funding, the Adjutant General eliminated the cap of \$1,800 in bonus payments per soldier and recognized multiple deployments and financial hardships as service members return from deployments. Current rates provide \$100 for each month overseas and \$50 for each month in state.
- Technology projects - This funding includes \$2.1 million for a statewide seamless base map, \$1 million for the computer-aided dispatch (CAD) project Phase 2, and \$500,000 for improving State Radio communications coverage.

The statewide seamless base map is a data set that is spatially accurate and contains necessary attributes to be used by multiple applications and users. The data set is needed for emergency services and daily state agency activities that directly relate to dispatch mapping,

CAD, and automatic vehicle locating. The Adjutant General anticipates completion of the base map by June 30, 2011.

The CAD project Phase 2 is an enhancement to the agency's CAD system that will further interoperability and support automatic vehicle location. The system will be a fully interoperable system that can be used by or connected to other sheriff and police departments plus provide enhanced services for fire and emergency management services. The CAD project Phase 2 will begin after the agency completes the CAD project Phase 1. A completion date for Phase 2 has not yet been determined.

For information regarding State Radio coverage technology, see the **State Radio communications coverage** section below.

- Technology equipment and software purchases - This funding includes \$125,000 for a law enforcement message switch software upgrade, \$20,000 for time synchronization software, and \$15,000 for uninterruptible power supply batteries.

The message switch upgrade will provide web-based services and newer technology to the law enforcement community. It is part of a three-phase project conducted concurrently with the National Crime Information Center upgrade. The Adjutant General anticipated the upgrade to be completed by May 2010.

The time synchronization software allows all systems within State Radio to provide accurate and consistent time stamps of voice and data records critical for record accuracy and support of legal evidence. This software system has been bid and is anticipated to be completed by May 2010.

The agency has issued a request for proposal to vendors for the uninterruptible power supply batteries. The batteries would allow State Radio operations to continue for up to two hours if the generator fails. The agency anticipates awarding a bid for the uninterruptible power supply batteries by the end of the 2009-11 biennium.

- Emergency and disaster recovery grant - The agency provided an emergency and disaster recovery grant in the amount of \$250,000 to the City of Northwood.
- 2009 flood disaster funding - See **Disaster funding** section below.

Federal fiscal stimulus funding - In Sections 2 and 3 of House Bill No. 1016, the Legislative Assembly appropriated \$3,783,770 of federal fiscal stimulus funds from the American Recovery and Reinvestment Act of 2009. This funding, summarized below, is not to be considered part of the agency's base budget for the 2011-13 biennium. Any program expenditures made with these funds will not be replaced with state funds after the American Recovery and Reinvestment Act of 2009 funds are no longer available.

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| Military energy-related maintenance and repairs | \$2,522,270 |
| Boiler replacement at the Minot Air Force Reserve Center and the Raymond J. Bohn Armory (fiscal stabilization - other government services funds from the Governor) | 500,000 |
| Construction of an east operations center at the Air National Guard installation in Fargo (fiscal stabilization - other government services funds from the Governor) | 450,000 |
| Funding to enhance the security within the state's system that serves as the designated control terminal agency for the National Crime Information Center (fiscal stabilization - other government services funds from the Governor) | 311,500 |
| Total | \$3,783,770 |

Tuition and enlistment compensation - The 2009 Legislative Assembly provided \$2,407,500 from the general fund for the tuition and enlistment compensation program. 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 Section 37-07.1-03, the accredited postsecondary institution waives 25 percent of the total tuition cost for each eligible student.

Line item transfer authority - Section 8 of House Bill No. 1016 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 2009-11 biennium. Any amounts transferred must be reported to OMB.

Reintegration program - Section 10 of House Bill No. 1016 provided legislative intent that the Adjutant General use all federal funds available for the reintegration program before using the \$1,377,409 appropriated from the general fund for the program. The funding for the program is to be used for providing support for all service members and their families. Section 11 of House Bill No. 1016 provides that the Adjutant General is to report to the Budget Section during the 2009-10 interim regarding reintegration program expenditures and the program's impact on service members.

Of the \$2,522,270 for energy-related maintenance repair projects, the Adjutant General has committed funding for 20 energy-related maintenance and repair projects at a total of \$2,431,738. The remaining amount of \$90,532 will be used for potential costs exceeding estimates and fund administration.

Regarding the fiscal stabilization - other government services funds from the Governor, the Adjutant General has started the project identified. All projects are anticipated to be completed in 2010.

The Adjutant General provided scholarships to 472 students for the fall 2009 semester under the tuition and enlistment compensation program. This is 28 fewer than the budgeted number of 500 students. The decrease is due to the large number of soldiers deployed to Kosovo.

At the present time, the Adjutant General does not anticipate requesting a transfer to the operating expenses and capital assets line items for the maintenance and repair of state-owned armories during the 2009-11 biennium.

The Adjutant General spent \$166,818 of federal funds on salaries and wages for the reintegration program for the first three months of the 2009-11 biennium. Through February 2010, the Adjutant General has spent \$345,474 of funding provided from the general fund on salaries and wages and operating expenses for the program.

State Radio communications coverage - Section 12 of House Bill No. 1016 provides legislative intent that \$500,000 from the general fund appropriated for improving State Radio communications coverage in the state be used for conducting a study of the effects of Next Generation 911 (\$100,000), alternatives to constructing new State Radio towers (\$75,000), and implementing a new State Radio tower site near Wales (\$325,000).

Disaster payments - Section 13 of House Bill No. 1016 provides legislative intent that 2009 flood disaster payments to political subdivisions be made allowing for a 6 percent local share. The difference between current federal funding and anticipated federal funding is to be made by the state until federal reimbursement funds are received.

The Emergency Services Communications Coordinating Committee has been examining the process of Next Generation 911 implementation, but because federal guidelines have not been determined or issued, state standards have not been developed. Because of this, the Adjutant General has not begun the study of Next Generation 911 or spent any of the funds.

In 2009 the United States Office of Emergency Communications provided engineering assistance for studies for land mobile radio system design. State Radio applied for and received approval for technical assistance. The study began February 1, 2010, and is projected to be completed in April 2010. The study will identify State Radio system gaps (mobile and portable), current wideband analog and narrowband equipment, the existence of alternative infrastructure in gap areas, and alternative location analysis. The study will be conducted by computer modeling and on-location verification. The Office of Emergency Communications will provide State Radio a final report relating to the study. Upon receipt of the report, State Radio will determine if further study is needed.

State Radio has combined resources with the Department of Transportation to construct a new tower at Wales. The Department of Transportation owns all the towers that State Radio utilizes and contracts with State Radio to provide maintenance services on radio equipment. The Department of Transportation is currently in the negotiation stages of land acquisition. With the funding provided by State Radio, the replacement tower and new radio infrastructure will be implemented. The agency is expecting to purchase the land in April 2010 and will erect the tower in the summer of 2010.

Section 13 of House Bill No. 1016 permitted the Adjutant General to make 2009 flood disaster payments to political subdivisions, reducing the local share from 15 percent to 6 percent. This bill was enacted on the basis that there was great probability the 2009 flood would change from a 75/25 federally declared disaster (75 percent federal, 10 percent state, and 15 percent local) to a 90/10 disaster (90 percent federal, 4 percent state, and 6 percent local). The section was to permit a lower local share in early disaster payments to political subdivisions. Section 8 of Senate Bill No. 2012 further reduced the local share for political subdivisions to 3 percent.

Upon enactment of Section 13 of House Bill No. 1016 and Section 8 of Senate Bill No. 2012, the Adjutant General made payments to political subdivisions with 75 percent federal funds, 22 percent state funds, and 3 percent local share. The 2009 flood disaster did change to a 90/10 federally declared disaster late in 2009. At that time, the Adjutant General corrected all transactions since July 1, 2009, changing the overall funding to 90 percent federal, 7 percent state, and 3 percent local. Expenditures previous to July 1, 2009, were also corrected with additional federal funding from the Federal Emergency Management Agency (FEMA). Fifteen percent of funding from the general fund (approximately \$2.9 million) was recouped and deposited in the general fund pursuant to Section 2 of Senate Bill No. 2444.

Hazardous chemicals preparedness and response program - House Bill No. 1484 (2009) amends Section 37-17.1-07.1(2)(c) to increase the maximum fee for a facility under the hazardous chemicals preparedness and response program from \$150 to \$475. This bill is estimated to generate approximately \$35,775 of additional revenue, of which one-half is provided to local emergency planning commissions for local expenses and one-half is used by the Department of Emergency Services to manage the statewide hazardous chemicals preparedness and response program.

Emergency snow disaster funding - The following is a summary of funding available for emergency snow removal grants:

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|--|---------------------|
| State disaster relief fund (SB 2012) | \$20,000,000 |
| 2007-09 general fund deficiency appropriation (HB 1023) | 1,400,000 |
| 2007-09 general fund emergency snow removal grants (SB 2393) | 1,000,000 |
| State contingency funds | 100,000 |
| Total | \$22,500,000 |

Disaster funding - The Legislative Assembly provided funding of \$23 million in Senate Bill No. 2012 for costs relating to the 2009 flood-related disasters, snow removal damage to roads, and other disasters. Section 8 of Senate Bill No. 2012 provided that a political subdivision receiving federal emergency relief funding relating to disasters occurring from January 2009 through June 2009 may apply to the Department of Emergency Services for an emergency relief grant of up to 50 percent of the local match required to receive the federal emergency relief funding. The Department of Emergency Services may distribute up to \$13 million of grants under this section. Any additional grant expenditures require Budget Section approval. Any funds provided for by the Department of Emergency Services in this section which are not distributed to political subdivisions may be used to match federal disaster relief funds received for state purposes, subject to Budget Section approval. In Senate Bill No. 2444, the Legislative Assembly also provided funding of \$12.5 million from the general fund for costs relating to 2009 flood-related disasters.

Emergency Commission approvals.

As of April 2010, fee collections from facilities under the hazardous chemicals preparedness and response program were approximately \$115,000. The Adjutant General estimates fee collections to total approximately \$300,000 for the 2009-11 biennium. This level of funding will provide funding for 1.5 FTE positions and other program costs.

As of May 2010, snow disaster expenditures totaled \$7,876,784, including \$5,376,784 of funds from the state disaster relief fund, \$1.4 million of funding from the general fund appropriated in 2009 House Bill No. 1023, \$1 million of funding from the general fund appropriated in 2009 Senate Bill No. 2393, and \$100,000 in state contingency funds provided by the Emergency Commission in January 2009. As of June 30, 2009, the agency had provided \$5,376,784 in emergency snow removal grants under Senate Bill No. 2012 and \$14,623,216 remains of the \$20 million appropriation.

The following is a summary of disaster funding estimated to be spent during the 2009-11 biennium:

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|---|---------------------|
| Emergency relief grants to political subdivisions relating to 2009 flooding | \$2,237,935 |
| Flood mitigation assistance grants, hazard mitigation grants, mission assignments, and administrative costs relating to 2009 flooding | 4,212,679 |
| Disaster costs relating to disasters occurring prior to 2009 | 2,715,434 |
| Disaster costs relating to the January 2010 winter snowstorm | 2,333,914 |
| Disaster costs relating to 2010 funding | 2,781,250 |
| Disaster costs relating to the April 2010 ice storm | 3,782,500 |
| Costs relating to 2009 flood-related disasters (SB 2444) | 12,500,000 |
| Total | \$30,563,712 |

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

- Authority to borrow \$2,715,434 from the Bank of North Dakota for state match on disasters prior to 2009, paying previous federal funding (#1714 - November 2009).
- Approval for \$63 million in federal authority to receive FEMA grants for the 2009 flood disaster (#1728 - February 2010).
- Approval for \$17,521,875 in federal authority to receive FEMA grants for the January 2010 winter ice storm (#1729 - February 2010).

- Approval for \$20,859,375 in federal authority to receive FEMA grants and authority to borrow \$2,781,250 from the Bank of North Dakota for state match for the January 2010 winter ice storm (#1731 - March 2010).
- Approval for \$28,368,750 in federal authority to receive FEMA grants and authority to borrow \$2 million from the Bank of North Dakota for costs associated with the damage caused from Good Friday storms which was a presidential-declared disaster (#1732 - April 2010).