

Adjutant General, including the National Guard and the Department of Emergency Services
Budget No. 540
House Bill Nos. 1016, 1015, Senate Bill Nos. 2012, 2444

| | FTE Positions | General Fund | Other Funds | Total |
|---|----------------------|-----------------------------|--------------------|--------------------|
| 2009-11 executive budget (bills as introduced) | 232.00 | \$28,904,609 | \$120,025,948 | \$148,930,557 |
| 2009-11 legislative appropriations | 232.00 | 40,725,214 | 236,671,871 | 277,397,085 |
| Legislative increase (decrease) to executive budget | 0.00 | \$11,820,605 | \$116,645,923 | \$128,466,528 |
| Legislative increase (decrease) to 2007-09 appropriations | 0.00 | (\$29,941,646) ¹ | \$114,920,808 | \$84,979,162 |

¹This 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 (\$1,000,000) and the transfer of \$43,000,000 from the general fund to the state disaster relief fund in the 2007-09 biennium.

ONGOING AND ONE-TIME GENERAL FUND APPROPRIATIONS

| | Ongoing General Fund Appropriation | One-Time General Fund Appropriation | Total General Fund Appropriation |
|---|---|--|---|
| 2007-09 legislative appropriations | \$19,062,337 | \$51,604,523 ¹ | \$70,666,860 |
| 2009-11 legislative appropriations | 22,189,867 | 18,535,347 | 40,725,214 |
| 2009-11 legislative increase (decrease) to 2007-09 appropriations | \$3,127,530 | (\$33,069,176) | (\$29,941,646) |
| Percentage increase (decrease) to 2007-09 appropriations | 16.4% | (64.1%) | (42.4%) |
| 2009-11 legislative increase (decrease) to executive budget | \$358,105 | \$11,462,500 | \$11,820,605 |
| Percentage increase (decrease) to executive budget | 1.6% | 162.1% | 40.9% |

¹This amount reflects the 2007-09 deficiency appropriation of \$5,822,553 from the general fund and the transfer of \$43,000,000 from the general fund to the state disaster relief fund noted above.

SUMMARY OF LEGISLATIVE CHANGES TO THE EXECUTIVE BUDGET AND MAJOR FUNDING ITEMS

Salaries and Wages

The legislative action affecting the recommended appropriation for the Adjutant General is in accordance with legislative salary and fringe benefits guidelines as contained in House Bill No. 1015.

| | FTE Positions | General Fund | Other Funds | Total |
|--|----------------------|---------------------|--------------------|--------------|
| The legislative action: | | | | |
| Removed funding added in the executive budget for state employee salary equity adjustments | | (\$67,895) | (\$137,847) | (\$205,742) |

| | | | |
|--|-------------|----------------------|----------------------|
| Changed the funding source for boiler replacement at the Minot Air Force Reserve Center and the Raymond J. Bohn Armory (\$500,000), construction of an east operations center facility at the Air National Guard installation in Fargo (\$450,000), and security enhancements for the state's system that serves as the designated control terminal agency for the National Crime Information Center (\$311,500) from the general fund to federal fiscal stabilization - other government services funds from the Governor | (1,261,500) | 1,261,500 | 0 |
| Appropriated federal fiscal stimulus funds from the American Recovery and Reinvestment Act of 2009 for military energy-related maintenance and repairs | | 2,522,270 | 2,522,270 |
| Added funding for a volunteer management grant program (see Other Sections in House Bill No. 1016 section below) | 400,000 | | 400,000 |
| Provided additional funding from federal funds for costs relating to the 2009 flood-related disasters. This funding is in addition to the funding appropriated in Senate Bill No. 2444. | | 50,000,000 | 50,000,000 |
| Provided funding from the state disaster relief fund for emergency snow removal grants to counties, cities, and townships (\$20 million) and for costs relating to the 2009 flood-related disasters, snow removal damage to roads, and other disasters (\$23 million) (Senate Bill No. 2012) | | 43,000,000 | 43,000,000 |
| Provided funding of \$12.5 million from the general fund and \$20 million of federal funds for costs relating to the 2009 flood-related disasters (Senate Bill No. 2444) | 12,500,000 | 20,000,000 | 32,500,000 |
| Provided funding for grants to political subdivisions for disaster, emergency response, and disaster recovery costs relating to 2007 tornado damage (House Bill No. 1015) | 250,000 | | 250,000 |
| Total | <u>0.00</u> | <u>\$11,820,605</u> | <u>\$116,645,923</u> |
| | | <u>\$116,645,923</u> | <u>\$128,466,528</u> |

FTE Changes

The 2009-11 biennium appropriation includes funding for 232 FTE positions, the same as the 2007-09 biennium. The Legislative Assembly did not change the executive recommendation to delete 5 FTE protection service worker positions not requested by the agency and to add 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

In Section 6 of House Bill No. 1016, the Legislative Assembly identified \$5,785,347 from the general fund for the Motorola lease purchase payment (\$1,525,347), veterans' bonus multiple deployments (\$500,000), technology projects (\$3,600,000), and technology equipment and software purchases (\$160,000) as one-time funding items. Other one-time funding items for the Adjutant General include:

- House Bill No. 1015 - \$250,000 from the general fund for grants to eligible political subdivisions for emergency and disaster recovery relating to 2007 tornado damage.

- Senate Bill No. 2444 - \$12.5 million from the general fund for 2009 flood disaster funding.

The total for one-time funding to the Adjutant General is \$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.

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 federal American Recovery and Reinvestment Act of 2009 funds are no longer available.

| | |
|--|--------------------|
| 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 |

Capital Assets Line Item

The Legislative Assembly provided funding of \$2,241,017, of which \$1,749,017 is from the general fund and \$492,000 is from other funds, for capital assets. The funding of \$2,241,017 is a decrease of \$450,000 from the executive recommendation of \$2,691,017. The following is a summary of the capital assets line item funding:

| | 2009-11 Executive Recommendation | | | 2009-11 Legislative Appropriation | | |
|---|----------------------------------|-------------|-------------|-----------------------------------|-------------|-------------|
| | General Fund | Other Funds | Total | General Fund | Other Funds | Total |
| National Guard | | | | | | |
| Payment in lieu of taxes at Camp Grafton | \$37,000 | | \$37,000 | \$37,000 | | \$37,000 |
| Bond payment | 70,627 | | 70,627 | 70,627 | | 70,627 |
| Special assessments | 64,043 | | 64,043 | 64,043 | | 64,043 |
| Replacement of grounds equipment units | 52,000 | | 52,000 | 52,000 | | 52,000 |
| East operations center facility | 450,000 | | 450,000 | 1 | | 1 |
| Subtotal - National Guard | \$673,670 | | \$673,670 | \$223,670 | | \$223,670 |
| Department of Emergency Services | | | | | | |
| Motorola lease purchase agreement payment | \$1,525,347 | | \$1,525,347 | \$1,525,347 | | \$1,525,347 |
| Replacement of two videoconference systems | | \$40,000 | 40,000 | | \$40,000 | 40,000 |
| Mobile joint information center | | 75,000 | 75,000 | | 75,000 | 75,000 |
| Mobile command vehicle | | 75,000 | 75,000 | | 75,000 | 75,000 |
| Camera-based security system and identification card system | | 132,000 | 132,000 | | 132,000 | 132,000 |
| Two global positioning systems | | 70,000 | 70,000 | | 70,000 | 70,000 |

| | 2009-11 Executive Recommendation | | | 2009-11 Legislative Appropriation | | |
|--|----------------------------------|-------------|-------------|-----------------------------------|------------------------|--------------------------|
| | General Fund | Other Funds | Total | General Fund | Other Funds | Total |
| Geospatial data software upgrade package for the WebEOC system | | 100,000 | 100,000 | | 100,000 | 100,000 |
| Subtotal - Department of Emergency Services | \$1,525,347 | \$492,000 | \$2,017,347 | \$1,525,347 | \$492,000 | \$2,017,347 |
| Total - Adjutant General | \$2,199,017 | \$492,000 | \$2,691,017 | \$1,749,017 ² | \$492,000 ² | \$2,241,017 ² |

¹The Legislative Assembly appropriated \$450,000 of federal fiscal stabilization funds made available to the Governor under the federal American Recovery and Reinvestment Act of 2009 to the Adjutant General for construction of an east operations center facility.

²In addition to the amounts reported for the capital assets line item, capital asset funding is also included in the Army Guard contract line item and in the appropriation of federal fiscal stimulus funding.

Tuition and Enlistment Compensation

The Legislative Assembly did not change the executive recommendation to provide \$2,407,500 from the general fund for the tuition and enlistment compensation program, the same level of funding provided for the 2007-09 biennium. 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.

Veterans' Cemetery

The Legislative Assembly did not change the executive recommendation to provide funding of \$489,141, of which \$301,659 is from the general fund and \$187,482 is special funds from the Veterans' Cemetery maintenance fund, for the operation of the Veterans' Cemetery. This represents an increase in funding of \$64,351 from the 2007-09 biennium appropriation of \$354,922, of which \$238,659 was from the general fund and \$116,263 was special funds from the Veterans' Cemetery maintenance fund. Section 7 of House Bill No. 1016 provides that any additional funds received by the Adjutant General and deposited in the Veterans' Cemetery maintenance fund pursuant to NDCC Sections 37-03-14 and 39-04-10.10 for the operation of the Veterans' Cemetery are appropriated to the Adjutant General.

Other Sections in House Bill No. 1016

Volunteer management grant program - Section 5 appropriates \$400,000 from the general fund to the Department of Emergency Services to provide grants to political subdivisions for payments to entities that have provided volunteer management services within that political subdivision for a particular disaster in an amount that may not exceed \$50,000 for each disaster.

Line item transfer authority - Section 8 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 the Office of Management and Budget.

Exemption - Section 9 provides that any unexpended general fund appropriation authority relating to the \$980,000 appropriated for the computer-aided dispatch project during the 2007-09 biennium is not subject to the provisions of NDCC Section 54-44.1-11 and may be expended during the 2009-11 biennium.

Reintegration program - Section 10 provides 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 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.

State Radio communications coverage - Section 12 provides legislative intent that the funding of \$500,000 from the general fund appropriated for improving State Radio communications coverage in the state is to 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 funding - Section 13 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.

Volunteer emergency responder - Section 14 amends NDCC Section 37-29-03 as created by House Bill No. 1181 (2009) to allow 20 regular working days of absence by an employee to serve as a volunteer emergency responder, instead of 10 regular business days as in House Bill No. 1181, before the employer may terminate or demote the employee. In addition, the requirement that the employee must continue to make reasonable notification efforts to the employer over the course of the absence is removed. Section 15 amends Section 54-06-27 as amended by House Bill No. 1181 to allow 20 regular working days of absence by an employee of a state agency or political subdivision to serve as a volunteer emergency responder, instead of 10 regular business days as in House Bill No. 1181.

Related Legislation

Disaster, emergency response, and recovery costs - Section 34 of House Bill No. 1015 provides a \$250,000 general fund appropriation to the Department of Emergency Services for providing grants to eligible political subdivisions for up to 50 percent of the costs incurred by the political subdivisions in meeting the local cost-share required by the Federal Emergency Management Agency for disaster, emergency response, and recovery costs, and for up to 50 percent of the costs incurred by the political subdivisions for disaster, emergency response, and recovery costs not covered by the Federal Emergency Management Agency. An eligible political subdivision is one that experienced damage or destruction due to a tornado during the summer of 2007.

2007-09 deficiency appropriation - House Bill No. 1023 provides a \$4,822,553 general fund deficiency appropriation for the 2007-09 biennium for the state's share of disaster costs.

Tuition and enlistment compensation program - House Bill No. 1138 amends statutory provisions relating to the National Guard tuition and enlistment compensation program to allow grants for student fees in addition to tuition.

Veterans' bonus program - House Bill No. 1482 amends NDCC Sections 37-28-02 and 37-28-03 to extend the veterans' bonus program through the 2009-11 biennium and to expand eligibility for the veterans' bonus program to include multiple deployments. The bill also amends Section 6 of Chapter 17 of the 2005 Session Laws to provide 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, 2007-09, and 2009-11 bienniums is not subject to the provisions of Section 54-44.1-11 and must be transferred to the Veterans' Cemetery trust fund during the 2011-13 biennium.

Hazardous chemicals preparedness and response program - House Bill No. 1484 amends NDCC 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.

State disaster relief fund - Senate Bill No. 2012 includes the following sections relating to a state disaster relief fund:

- Section 4 establishes a state disaster relief fund. Money in the fund is to be used subject to legislative appropriations for providing funding for defraying the expenses of state disasters, including providing funds required to match federal funds for expenses associated with presidential declared disasters in the state.
- Section 5 provides that the Office of Management and Budget is to transfer \$43 million from the general fund to the state disaster relief fund during the 2007-09 biennium.
- Section 6 appropriates \$43 million from the state disaster relief fund to the Adjutant General for providing emergency relief funding during the 2009-11 biennium. The Adjutant General may use up to \$20 million of the funds for providing emergency snow removal grants to counties, cities, and townships in accordance with Section 7 of Senate Bill No. 2012 and may use the remaining \$23 million for paying costs relating to the 2009 flood disaster, snow removal damage to roads, and other disasters in accordance with Section 8 of Senate Bill No. 2012.

- Section 7 provides that a county, township, or city may apply to the Department of Emergency Services for an emergency snow removal grant for reimbursement of up to 50 percent of the costs incurred by the county, township, or city for the period January 2009 through March 2009 that exceed 200 percent of the average costs incurred for these months in 2004 through 2008. Each county, township, or city requesting reimbursement is to submit the request in accordance with rules developed by the Department of Emergency Services. The Department of Emergency Services is to distribute these grants prior to June 30, 2009, and shall report to the Budget Section regarding the grants awarded under this section.
- Section 8 provides 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. Each political subdivision requesting reimbursement is to submit the request in accordance with rules developed by the Department of Emergency Services. The Department of Emergency Services may distribute up to \$13 million of grants under this section. Any additional grant expenditures require Budget Section approval. The Department of Emergency Services is to report to the Budget Section on grants awarded under this section. 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.

Income tax credit - Senate Bill No. 2388 provides for an income tax credit for an employer maintaining payment of salary and related retirement plan contributions for an employee called to active military duty as a member of a reserve or National Guard component.

Emergency snow removal grants - Senate Bill No. 2393 appropriates \$1 million from the general fund to the Department of Emergency Services for emergency snow removal grants for the 2007-09 biennium.

Flood disaster relief - Senate Bill No. 2444 appropriates \$12.5 million from the general fund and \$20 million from special funds to the Adjutant General for expenses relating to 2009 flood disasters.