23.0270.02006
Title.

Fiscal No. 2

Prepared by the Legislative Council staff for the House Appropriations - Government Operations Division Committee
April 10, 2023

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2016

Page 1, line 3, after the semicolon insert "to provide for a legislative management study;"

Page 1, remove lines 15 through 24

Page 2, replace lines 1 through 3 with:

"Salaries and wages	$7,150,489	$485,293	$7,635,782
Operating expenses	3,048,313	165,898	3,214,211
Capital assets	224,046	40,300,000	40,524,046
Grants	210,916	374,776	585,692
Civil air patrol	309,125	72,331	381,456
Tuition, recruiting, and retention	3,042,235	320,000	3,362,235
Air guard contract	8,490,161	496,901	8,987,062
Army guard contract	48,203,473	1,804,510	50,007,983
Veterans' cemetery	1,325,998	33,397	1,359,395
Reintegration program	925,524	(45,471)	880,053
Total all funds	$72,930,280	$44,007,635	$116,937,915
Less estimated income	56,326,564	41,839,440	98,166,004
Total general fund	$16,603,716	$2,168,195	$18,771,911"

Page 2, replace lines 8 through 15 with:

"Salaries and wages	$12,232,240	$609,971	$12,842,211
Operating expenses	6,502,334	313,233	6,815,567
Capital assets	660,000	150,000	810,000
Grants	14,550,000	13,868,000	28,418,000
Disaster costs	51,485,736	168,853,862	220,339,598
Total all funds	$85,430,310	$183,795,066	$269,225,376
Less estimated income	79,151,794	181,883,703	261,035,497
Total general fund	$6,278,516	$1,911,363	$8,189,879"

Page 2, replace lines 20 through 23 with:

"Grand total general fund	$22,882,232	$4,079,558	$26,961,790
Grand total special funds	135,478,358	223,723,143	359,201,501
Grand total all funds	$158,360,590	$227,802,701	$386,163,291
Full-time equivalent positions	222.00	9.00	231.00"

Page 2, remove lines 29 through 31

Page 3, replace lines 1 through 20 with:

"Emergency response equipment and supplies	$100,000	$660,000
Dickinson readiness center project	15,500,000	8,900,000
Military museum	10,000,000	20,000,000
Fraine Barracks automation system	320,000	0
Fargo readiness center equipment	100,000	0
Bridge training site	6,000,000	0
Camp Grafton expansion	3,500,000	0
Disaster response	887,873	0

Payroll expenses	1,000,000	0
State active-duty software	450,000	0
Camp Grafton housing	2,000,000	0
Deferred maintenance	1,000,000	1,000,000
Retirement payouts	0	275,000
Statewide interoperable radio network equipment	0	2,700,000
Camp Grafton fitness facility	0	9,000,000
Minot airport hangar	0	60,000
State radio consoles	0	150,000
Cybersecurity grant	0	628,000
Safeguarding Tomorrow through Ongoing Risk Mitigation Act	0	1,000,000
Flood mitigation grants	0	225,000
Disaster mortuary response team training	0	220,000
Natural disaster response and recovery grants	0	2,000,000
Disaster grants	0	142,652,500
Total all funds	$40,857,873	$189,470,500
Total other funds	38,877,873	187,312,500
Total general fund	$1,980,000	$2,158,000"

Page 3, line 29, replace "39-04-10" with "39-04-10.10"

Page 3, after line 30, insert:

"**SECTION 4. ESTIMATED INCOME - FEDERAL STATE FISCAL RECOVERY FUND - ADJUTANT GENERAL.** The estimated income line item in subdivision 1 of section 1 of this Act includes $20,600,000 from the federal state fiscal recovery fund, of which up to $8,900,000 is for the completion of the Dickinson readiness center in accordance with section 5 of this Act, $2,700,000 is for statewide interoperable radio network equipment, and $9,000,000 is for the construction of the Camp Grafton fitness facility.

SECTION 5. CONTINGENT APPROPRIATION - FEDERAL STATE FISCAL RECOVERY FUND - OTHER FEDERAL FUNDS - ADJUTANT GENERAL.

1. Subject to the provisions of this section, there is appropriated from federal funds derived from the federal state fiscal recovery fund, not otherwise appropriated, the sum of $5,300,000, or so much of the sum as may be necessary, to the adjutant general for the purpose of constructing Camp Grafton training billets, for the biennium beginning July 1, 2023, and ending June 30, 2025.

2. The funding appropriated under this section is contingent upon the adjutant general certifying to the office of management and budget that at least $5,300,000 of federal funding sources other than from the federal state fiscal recovery fund is available and will be used for completion of the Dickinson readiness center project. Upon receiving certification, the director of the office of management and budget shall adjust the appropriate amount of federal funding authority for the Dickinson readiness center project from the federal state fiscal recovery fund to the new federal funding source."

Page 4, replace lines 8 through 17 with:

"**SECTION 7. BANK OF NORTH DAKOTA - LINE OF CREDIT - ADDITIONAL INCOME - LEGISLATIVE INTENT - MILITARY MUSEUM.** The Bank of North Dakota

shall extend a line of credit to the adjutant general to provide funding to pay costs associated with the construction of a North Dakota military museum. The line of credit may not exceed $20,000,000, and the interest rate associated with the line of credit must be the prevailing rate charged to North Dakota governmental entities. It is the intent of the sixty-eighth legislative assembly that the adjutant general request funding from the sixty-ninth legislative assembly from the legacy earnings fund to repay the line of credit. The adjutant general may accept other funds, including private and federal funds, for the construction of a North Dakota military museum during the biennium beginning July 1, 2023, and ending June 30, 2025.

SECTION 8. ESTIMATED INCOME - STATE DISASTER RELIEF FUND - ADJUTANT GENERAL. The estimated income line item in subdivision 2 of section 1 of this Act includes $14,918,245 from the state disaster relief fund, of which $11,693,245 is for costs related to previous state disasters, $1,000,000 is for the ten percent state match for the federal safeguarding tomorrow through ongoing risk mitigation program, $2,000,000 is for natural disaster response and recovery grants, and $225,000 is for flood mitigation grants."

SECTION 9. NATURAL DISASTER RESPONSE AND RECOVERY GRANTS. The disaster costs line item in subdivision 2 of section 1 of this Act includes $2,000,000 from the state disaster relief fund for providing grants to political subdivisions for costs relating to preventing loss of life or significant property damage when responding to and recovering from natural disasters."

Page 6, replace lines 6 through 10 with:

"**SECTION 14. LEGISLATIVE MANAGEMENT STUDY - COLD WAR TRAIL PROJECT.** During the 2023-24 interim, the legislative management shall consider studying the feasibility and desirability of a cold war trail project. The study must include the cooperation of the adjutant general, department of commerce, and the state historical society when considering potential sites to include on the trail and options and costs of:

1. The construction, addition, maintenance, and equipment for new and existing North Dakota cold war historic sites;

2. Providing educational resources regarding North Dakota's role in the cold war; and

3. Promoting tourism for North Dakota cold war historic sites.

The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-ninth legislative assembly."

Page 6, line 11, replace "of" with "in"

Page 6, line 12, after the first "Act" insert ", the sum of $2,000,000 in the disaster costs line item in subdivision 2 of section 1 of this Act, the sum of $60,000 in the civil air patrol line item of subdivision 1 of section 1 of this Act,"

Page 6, line 12, replace "4" with "6, 9,"

Page 6, line 12, replace "7" with "10"

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

Senate Bill No. 2016 - Summary of House Action

	Base Budget	Senate Version	House Changes	House Version
Adjutant General				
Total all funds	$72,930,280	$97,769,216	$24,468,699	$122,237,915
Less estimated income	56,326,564	78,042,748	25,423,256	103,466,004
General fund	$16,603,716	$19,726,468	($954,557)	$18,771,911
FTE	152.00	156.00	0.00	156.00
Department of Emergency Services				
Total all funds	$85,430,310	$269,022,253	$203,123	$269,225,376
Less estimated income	79,151,794	259,256,970	1,778,527	261,035,497
General fund	$6,278,516	$9,765,283	($1,575,404)	$8,189,879
FTE	70.00	77.00	(2.00)	75.00
Bill total				
Total all funds	$158,360,590	$366,791,469	$24,671,822	$391,463,291
Less estimated income	135,478,358	337,299,718	27,201,783	364,501,501
General fund	$22,882,232	$29,491,751	($2,529,961)	$26,961,790
FTE	222.00	233.00	(2.00)	231.00

Senate Bill No. 2016 - Adjutant General - House Action

	Base Budget	Senate Version	House Changes	House Version
Salaries and wages	$7,150,489	$7,907,798	($272,016)	$7,635,782
Operating expenses	3,048,313	3,299,461	(85,250)	3,214,211
Capital assets	224,046	19,724,046	20,800,000	40,524,046
Grants	210,916	585,692		585,692
Civil air patrol	309,125	387,155	(5,699)	381,456
Tuition, recruiting, and retention	3,042,235	3,362,235		3,362,235
Air guard contract	8,490,161	9,021,309	(34,247)	8,987,062
Army guard contract	48,203,473	51,174,837	(1,166,854)	50,007,983
Veterans' cemetery	1,325,998	1,395,288	(35,893)	1,359,395
Reintegration program	925,524	911,395	(31,342)	880,053
Contingent Funding			5,300,000	5,300,000
Total all funds	$72,930,280	$97,769,216	$24,468,699	$122,237,915
Less estimated income	56,326,564	78,042,748	25,423,256	103,466,004
General fund	$16,603,716	$19,726,468	($954,557)	$18,771,911
FTE	152.00	156.00	0.00	156.00

Department 540 - Adjutant General - Detail of House Changes

	Adds Funding for Salary and Benefit Increases[1]	Adjusts Funding for FTE Positions[2]	Removes Salary Funding for Funding Pool[3]	Adjusts Funding from Ongoing to One-Time[4]	Adjusts Funding for One-Time Items[5]	Adds Contingent Funding for Camp Grafton Billets[6]
Salaries and wages	$98,750	$55,747	($426,513)			
Operating expenses		(85,250)				
Capital assets					$20,800,000	
Grants						
Civil air patrol	2,158		(7,857)			
Tuition, recruiting, and retention						
Air guard contract	73,880		(408,127)		300,000	
Army guard contract	220,259	(27)	(887,086)	($500,000)		
Veterans' cemetery	13,829		(49,722)			
Reintegration program	12,299		(43,641)			
Contingent Funding						$5,300,000
Total all funds	$421,175	($29,530)	($1,822,946)	($500,000)	$21,100,000	$5,300,000
Less estimated income	281,364	(14,765)	(1,243,343)	0	21,100,000	5,300,000
General fund	$139,811	($14,765)	($579,603)	($500,000)	$0	$0
FTE	0.00	0.00	0.00	0.00	0.00	0.00

	Total House Changes
Salaries and wages	($272,016)
Operating expenses	(85,250)
Capital assets	20,800,000
Grants	
Civil air patrol	(5,699)
Tuition, recruiting, and retention	
Air guard contract	(34,247)
Army guard contract	(1,166,854)
Veterans' cemetery	(35,893)
Reintegration program	(31,342)
Contingent Funding	5,300,000
Total all funds	$24,468,699
Less estimated income	25,423,256
General fund	($954,557)
FTE	0.00

[1] Salaries and wages funding is adjusted to provide for the 2023-25 biennium salary increases of 6 percent on July 1, 2023, and 4 percent on July 1, 2024, and for adjustments to health insurance premium rates as follows:

	General Fund	Other Funds	Total
Salary increase	$147,237	$296,353	$443,590
Health insurance adjustment	(7,426)	(14,989)	(22,415)
Total	$139,811	$281,364	$421,175

The Senate provided salary adjustments of 4 percent on July 1, 2023, and July 1, 2024.

[2] Funding of $29,530 is adjusted for the following FTE position changes:

- Removes $41,594 for 1 FTE custodial supervisor position for the Dickinson Readiness Center, of which $20,797 is from the general fund and $20,797 is from federal funds.
- Adds $12,064 for 1 FTE trades maintenance worker position for the Camp Grafton fitness facility, of which $6,032 is from the general fund and $6,032 is from federal funds. The funding is for 2 months of salary.

[3] Funding for the new FTE positions and estimated savings from vacant FTE positions is removed as shown below. These amounts are available to the agency by submitting to the Office of Management and Budget for a transfer from the new and vacant FTE funding pool.

	General Fund	Other Funds	Total
New FTE positions	($61,780)	($204,418)	($266,198)
Vacant FTE positions	(517,823)	(1,038,925)	(1,556,748)
Total	($579,603)	($1,243,343)	($1,822,946)

[4] Funding of $1.5 million from the general fund for maintenance and repairs of National Guard facilities was changed from ongoing to one-time funding and reduced by $500,000 to provide a total of $1 million.

[5] One-time funding is adjusted as follows:

- Funding of $9 million from the federal State Fiscal Recovery Fund is added for the construction of a Camp Grafton fitness facility;
- Funding of $5.3 million from the federal State Fiscal Recovery Fund is removed for the construction of Camp Grafton training center billets (see footnote 6 below);
- Funding of $20 million from a Bank of North Dakota line of credit is added for the construction of a North Dakota military museum; and
- Funding of $2.6 million from the federal State Fiscal Recovery Fund is removed for design and engineering of a new Williston Readiness Center.
- Funding of $2.7 million was changed from the Strategic Investment and Improvements Fund to the federal State Fiscal Recovery Fund for statewide interoperable radio network equipment.

[6] A section is added providing a contingent appropriation from federal funds for the construction of Camp Grafton training center billets. If other federal funds become available for the completion of the Dickinson Readiness Center, funding from the federal State Fiscal Recovery Fund of up to $5,300,000 may be used to construct the billets.

Senate Bill No. 2016 - Department of Emergency Services - House Action

	Base Budget	Senate Version	House Changes	House Version
Salaries and wages	$12,232,240	$14,894,591	($2,052,380)	$12,842,211
Operating expenses	6,502,334	7,815,567	(1,000,000)	6,815,567
Capital assets	660,000	960,000	(150,000)	810,000
Grants	14,550,000	28,418,000		28,418,000
Disaster costs	51,485,736	216,934,095	3,405,503	220,339,598
Total all funds	$85,430,310	$269,022,253	$203,123	$269,225,376
Less estimated income	79,151,794	259,256,970	1,778,527	261,035,497
General fund	$6,278,516	$9,765,283	($1,575,404)	$8,189,879
FTE	70.00	77.00	(2.00)	75.00

Department 542 - Department of Emergency Services - Detail of House Changes

	Adds Funding for Salary and Benefit Increases[1]	Removes Funding for Watch Center Positions[2]	Removes Salary Funding for Funding Pool[3]	Adjusts Funding from Ongoing to One-Time[4]	Adjusts Funding for One-Time Items[5]	Total House Changes
Salaries and wages	$173,038	($409,260)	($1,816,158)			($2,052,380)
Operating expenses					($1,000,000)	(1,000,000)
Capital assets					(150,000)	(150,000)
Grants						
Disaster costs	15,629		(55,126)		3,445,000	3,405,503
Total all funds	$188,667	($409,260)	($1,871,284)	$0	$2,295,000	$203,123
Less estimated income	134,159	0	(580,632)	0	2,225,000	1,778,527
General fund	$54,508	($409,260)	($1,290,652)	$0	$70,000	($1,575,404)
FTE	0.00	(2.00)	0.00	0.00	0.00	(2.00)

[1] Salaries and wages funding is adjusted to provide for the 2023-25 biennium salary increases of 6 percent on July 1, 2023, and 4 percent on July 1, 2024, and for adjustments to health insurance premium rates as follows:

	General Fund	Other Funds	Total
Salary increase	$67,588	$138,705	$206,293
Health insurance adjustment	(13,080)	(4,546)	(17,626)
Total	$54,508	$134,159	$188,667

The Senate provided salary adjustments of 4 percent on July 1, 2023, and July 1, 2024.

[2] Funding of $409,260 from the general fund is removed for 2 FTE watch center analysts for the Department of Emergency Services.

[3] Funding for the new FTE positions and estimated savings from vacant FTE positions is removed as shown below. These amounts are available to the agency by submitting to the Office of Management and Budget for a transfer from the new and vacant FTE funding pool.

	General Fund	Other Funds	Total
New FTE positions	($978,006)	($102,182)	($1,080,188)
Vacant FTE positions	(312,646)	(478,450)	(791,096)
Total	($1,290,652)	($580,632)	($1,871,284)

[4] Funding of $628,000 from the general fund for the cybersecurity grant was changed from ongoing to one-time funding.

[5] One-time funding is adjusted as follows:

- Funding of $150,000 from the general fund is reduced for State Radio console replacement to provide a total of $150,000;
- Funding of $220,000 from the general fund is added for disaster mortuary response team training;
- Funding of $225,000 from the disaster relief fund is added for flood mitigation grants to the City of Marion;
- Funding of $2 million from the disaster relief fund is added for natural disaster response and recovery grants.

This amendment also:

- Adds a section providing a line of credit from the Bank of North Dakota to the Adjutant General for $20 million for the construction of a North Dakota military museum.
- Identifies $20.6 million from the federal State Fiscal Recovery Fund, of which $8.9 million is for the completion of the Dickinson Readiness Center, $2.7 million is for statewide interoperable radio network equipment, and $9 million is for the construction of the Camp Grafton fitness facility. If other federal funds become available for the completion of the Dickinson Readiness Center, then federal state fiscal recovery funds of up to $5.3 million may instead be used for the construction of Camp Grafton training center billets.
- Identifies $14,918,245 from the state disaster relief fund, of which $11,693,245 is for costs relating to previous state disasters, $1,000,000 is for the 10 percent state match for the federal Safeguarding Tomorrow through Ongoing Risk Mitigation (STORM) program, $2,000,000 is for natural disaster response and recovery grants, and $225,000 is for a flood mitigation grant to the City of Marion.
- Removes a section identifying $2.7 million from the strategic investment and improvements fund for statewide interoperable radio network equipment. The House changed the funding to the federal State Fiscal Recovery Fund.
- Provides that the $60,000 for the purchase of a Minot hangar and the $2 million for natural disaster response and recovery grants are an emergency.
- Changes the section to allow the Adjutant General to accept other funds to match state funds to construct a North Dakota military museum. The Senate version only allowed the Adjutant General to accept donations for the project.
- Adds a section to provide for a Legislative Management study of a cold war trail project.