

**Department 540 - Adjutant General, including
the National Guard and Department of Emergency Services
Senate Bill No. 2016**

Green Sheet 1
2/7/23

Executive Budget Comparison to Base Level

| | General Fund | Other Funds | Total |
|--------------------------|--------------|---------------|---------------|
| 2023-25 Executive Budget | \$29,402,040 | \$223,448,843 | \$252,850,883 |
| 2023-25 Base Level | 22,882,232 | 135,478,358 | 158,360,590 |
| Increase (Decrease) | \$6,519,808 | \$87,970,485 | \$94,490,293 |

Selected Budget Changes Recommended in the Executive Budget

| | General Fund | Other Funds | Total |
|---|--------------|--------------|--------------|
| 1. Adds funding for state employee salary and benefit increases, of which \$2,721,150 is for salary increases and \$1,069,882 is for health insurance increases | \$1,298,082 | \$2,492,950 | \$3,791,032 |
| 2. Adds 6 FTE positions for a watch center, of which \$1,233,992 is for salaries and wages and \$234,600 is for ongoing operating expenses | \$1,468,592 | \$0 | \$1,468,592 |
| 3. Adds 3 FTE positions for the Dickinson Readiness Center, of which \$612,348 is for salaries and wages and \$354,000 is for ongoing operating expenses | \$489,674 | \$476,674 | \$966,348 |
| 4. Adds funding for disaster grants, of which \$23,245,722 is from federal funds and \$1,986,689 is from special funds | \$0 | \$25,232,411 | \$25,232,411 |
| 5. Adds funding from federal funds for homeland security grants to provide a total of \$27,875,692 | \$0 | \$13,240,000 | \$13,240,000 |
| 6. Adds one-time funding from the legacy earnings fund for a military museum | \$0 | \$20,000,000 | \$20,000,000 |
| 7. Adds one-time funding for the Dickinson Readiness Center from the strategic investment and improvements fund | \$0 | \$10,000,000 | \$10,000,000 |
| 8. Adds one-time funding for Camp Grafton, of which \$9 million is for a fitness facility from the legacy earnings fund and \$6 million is for training center billets from the strategic investment and improvements fund | \$0 | \$15,000,000 | \$15,000,000 |
| 9. Adds one-time funding from federal homeland security funds for statewide interoperable radio network equipment | \$0 | \$2,700,000 | \$2,700,000 |

A summary of the executive budget changes to the agency's base level appropriations is attached as an appendix.

A copy of the draft appropriations bill containing the executive budget recommendations is attached as an appendix.

Selected Bill Sections Recommended in the Executive Budget

Veterans' Cemetery maintenance fund - Section 3 would appropriate any funds which are received and deposited in the Veterans' Cemetery maintenance fund pursuant to North Dakota Century Code Sections 37-03-14 and 39-04-10.10 for the operation of the Veterans' Cemetery for the 2023-25 biennium.

Maintenance and repairs - Section 4 would authorize the Adjutant General to 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 2023-25 biennium. Any amounts transferred must be reported to the Office of Management and Budget.

Exemption - Computer-aided dispatch equipment - Section 5 would provide that any unexpended funds from the strategic investment and improvements fund, appropriated for computer-aided dispatch equipment for the 2019-21 biennium continued into the 2021-23 biennium are not subject to the provisions of Section 54-44.1-11 and may be continued and expended during the 2023-25 biennium.

Exemption - Tuition, recruiting, and retention - Section 6 would provide that any unexpended general fund or special funds appropriation authority in the tuition, recruiting, and retention line item for the 2021-23 biennium are not subject to the provisions of Section 54-44.1-11 and may be continued and expended during the 2023-25 biennium.

Exemption - Fraire Barracks automation system - Section 7 would provide that \$80,000 of general funds and \$240,000 of federal funds appropriated for the Fraire Barracks automation system for the 2021-23 biennium are not subject to the provisions of Section 54-44.1-11 and may be continued and expended during the 2023-25 biennium.

Exemption - Dickinson Readiness Center - Section 8 would provide that \$15.5 million of federal funds appropriated for the construction of the Dickinson Readiness Center for the 2021-23 biennium is not subject to the provisions of Section 54-44.1-11 and may be continued and expended during the 2023-25 biennium.

Exemption - Communication bridge training site - Section 9 would provide that \$6 million of federal funds appropriated for the line of communication bridge training site for the 2021-23 biennium is not subject to the provisions of Section 54-44.1-11 and may be continued and expended during the 2023-25 biennium.

Exemption - Camp Grafton expansion - Section 10 would provide that any unexpended funds from the National Guard training area and facility development trust fund and the strategic investment and improvements fund appropriated for the Camp Grafton expansion for the 2021-23 biennium are not subject to the provisions of Section 54-44.1-11 and may be continued and expended during the 2023-25 biennium.

Exemption - COVID-19 response line - Sections 11, 12, and 13 would provide that any unexpended funds from the COVID-19 response appropriated for the purpose of defraying COVID-19 and other expenses for the 2021-23 biennium are not subject to the provisions of Section 54-44.1-11 and may be continued and expended during the 2023-25 biennium.

Exemption - American Rescue Plan Act - Sections 14 and 15 would provide that any unexpended funds from the federal American Rescue Plan Act appropriated for the purposes of replacing the state active-duty software and maintenance and of enhancing housing at Camp Grafton for the 2021-23 biennium are not subject to the provisions of Section 54-44.1-11 and may be continued and expended during the 2023-25 biennium.

Transfer of legacy earnings fund - Section 16 would transfer \$29 million from the legacy earnings fund, of which \$20 million is for the construction of a military museum and \$9 million is for the construction of a training facility at Camp Grafton, to the Adjutant General. This is one-time funding for the 2023-25 biennium.

Transfer of strategic investment and improvements fund - Section 17 would transfer \$16 million from the strategic investment and improvements fund, of which \$6 million is for the construction of billets at Camp Grafton and \$10 million is for the completion of the Dickinson Readiness Center, to the Adjutant General. This is one-time funding for the 2023-25 biennium.

Camp Grafton expansion - Section 18 would continue legislative intent approved by the 2019 Legislative Assembly for the Adjutant General to purchase options to purchase or lease land for the Camp Grafton expansion.

North Dakota military museum - Section 19 would authorize the Adjutant General to accept other funds to match state funds to construct a North Dakota military museum.

Appropriation - Transfer to Veteran's Cemetery trust fund - Section 20 would provide for the transfer of \$26,656 from unexpended funds available for the payment of adjusted compensation to veterans pursuant to Section 12 of Chapter 41 of the 2019 Session Laws to the Veterans' Cemetery trust fund.

Continuing Appropriations

National Guard emergency fund - Section 37-01-04.1 - This fund allows the National Guard to respond to state emergencies.

National Guard military grounds fund - Section 37-03-13 - This fund is used for collection rental revenues to be used for purchasing military training grounds.

Veterans' Cemetery maintenance fund - Section 37-03-14 - This fund is used to support the operations of the Veterans' Cemetery. The fund receives \$5 from the issuance of each veteran's license plate, grave opening and closing fees, and private and federal funds for the operation of the Veterans' Cemetery.

Veterans' Cemetery trust fund - Section 39-04-10.10 - This fund receives \$5 from the issuance of each veteran's license plate and donations. The interest in the fund is to be deposited in the Veterans' Cemetery maintenance fund for the purpose of providing funding for salaries and maintenance at the cemetery.

Deficiency Appropriations

The executive budget recommendation includes a deficiency appropriation of \$14,556,524 from the general fund to repay Bank of North Dakota loans for the state's share of disaster costs (\$904,203) and law enforcement costs relating to unlawful activity associated with the construction of the Dakota Access Pipeline (\$13,652,321).

Significant Audit Findings

There were no significant audit finds for this agency.

Major Related Legislation

House Bill No. 1053 - Relates to burn restrictions.

House Bill No. 1069 - Relates to pay and benefits received by National Guard members.

House Bill No. 1070 - Relates to the establishment and administration of a hazard mitigation revolving loan fund.

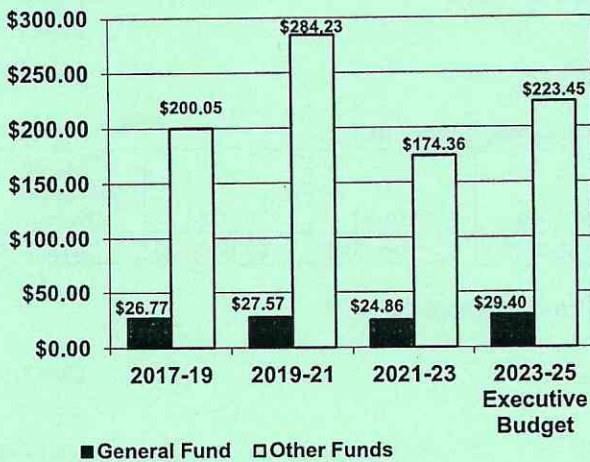
House Bill No. 1071 - Relates to local and regional emergency management organizations.

House Bill No. 1098 - Relates to the enforcement and penalties of communities that fail to adopt or enforce floodplain management ordinances as required under the National Flood Insurance Program.

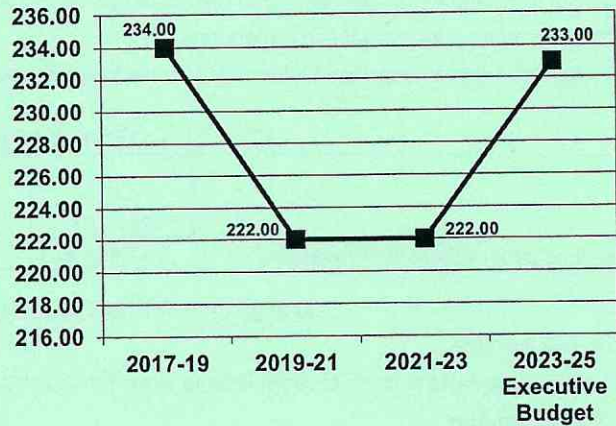
Historical Appropriations Information

Agency Appropriations and FTE Positions

Agency Funding (Millions)



FTE Positions



Ongoing General Fund Appropriations

| | 2015-17 | 2017-19 | 2019-21 | 2021-23 | 2023-25 Executive Budget |
|---|--------------|---------------|--------------|---------------|--------------------------|
| Ongoing general fund appropriations | \$29,096,100 | \$25,886,422 | \$27,390,197 | \$22,882,232 | \$28,642,040 |
| Increase (decrease) from previous biennium | N/A | (\$3,209,678) | \$1,503,775 | (\$4,507,965) | \$5,759,808 |
| Percentage increase (decrease) from previous biennium | N/A | (11.0%) | 5.8% | (16.5%) | 25.2% |
| Cumulative percentage increase (decrease) from 2015-17 biennium | N/A | (11.0%) | (5.9%) | (21.4%) | (1.6%) |

Major Increases (Decreases) in Ongoing General Fund Appropriations

2017-19 Biennium

1. Reduced funding for operating expenses (\$2,307,572)
2. Increased funding for recruitment \$100,000
3. Reduced funding for National Guard armory grants (\$190,961)
4. Removed funding for mortuary response training (\$191,900)
5. Reduced funding for the reintegration program (\$716,075)

2019-21 Biennium

1. Removed 9 FTE positions, including 4 communications specialists, 1 geographic information systems specialist, 1 carpenter, 1 security officer, and 2 veterans benefits specialists (\$1,017,146)
2. Increased funding for National Air Guard and Army Guard contract operating expenses \$475,000
3. Reduced funding for operating expenses, including information technology, travel, utilities, repairs, miscellaneous supplies, and professional services (\$939,727)
4. Increased funding for National Guard tuition assistance, to provide a total of \$4,617,500 \$2,000,000

2021-23 Biennium

1. Transferred maintenance of State Radio towers to the Information Technology Department (\$1,858,240)
2. Removed 2 FTE positions, including a facility services position and reintegration program position (\$476,508)
3. Reduced funding for tuition assistance to provide a total of \$3,042,235 (\$1,739,837)
4. Reduced funding for the National Guard (\$808,320)

2023-25 Biennium (Executive Budget Recommendation)

1. Adds 6 FTE positions for a watch center, of which \$1,233,992 is for salaries and wages and \$234,600 is for ongoing operating expenses \$1,468,592

- 2. Adds 3 FTE positions for the Dickinson Readiness Center, of which \$306,174 is for salaries and wages and \$183,500 is for ongoing operating expenses \$489,674
- 3. Adds 1 FTE for State Radio \$153,274
- 4. Adjusts funding for State Radio FTE cost to continue \$168,286
- 5. Adds funding for maintenance and repairs to provide a total of \$15,154,053 \$1,500,000
- 6. Adds funding for increase in armory rent \$374,776
- 7. Adds funding for increased information technology unification costs \$156,000

One-Time General Fund Appropriations

| | 2015-17 | 2017-19 | 2019-21 | 2021-23 | 2023-25 Executive Budget |
|--------------------------------------|-------------|-----------|-----------|-------------|--------------------------|
| One-time general fund appropriations | \$1,844,672 | \$887,823 | \$181,000 | \$1,980,000 | \$760,000 |

Major One-Time General Fund Appropriations

2017-19 Biennium

- 1. Repayment of the Bank of North Dakota loans for disaster costs \$887,823

2019-21 Biennium

- 1. Information technology upgrades \$181,000

2021-23 Biennium

- 1. Camp Grafton expansion \$1,750,000
- 2. Emergency response equipment and supplies \$100,000

2023-25 Biennium (Executive Budget Recommendation)

- 1. State Radio console replacement \$300,000
- 2. Dickinson Readiness Center \$300,000
- 3. Retirement packages for retirees \$100,000
- 4. Minot hangar purchase \$60,000