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Appropriations Committee
March 12, 2015

[AGENCY 31]

DARYL BOHAC: (Exhibit 1) Good afternoon, Senator Mello and members of the Appropriations Committee. I am Major General Daryl Bohac, D-a-r-y-l B-o-h-a-c, the director of the Nebraska Military Department and the Nebraska Emergency Management Agency. I'll begin today's testimony with Programs 192 and 545 that fall under the Nebraska Emergency Management Agency. Here with me is my assistant director, Mr. Bryan Tuma, who is responsible for the day-to-day operations of NEMA and who I may call on for assistance with any questions you might have. General Fund appropriations available to the agency in Program 545 support staffing and operational issues within NEMA. In addition, these dollars provide matching funds for the Emergency Management Performance Grant which is critical to the emergency management functions assigned to the agency. Program 545 also supports the operation of the single-engine air tanker. The Legislature adopted the Wildfire Act of 2013 which established the annual deployment of the SEAT. Subsequent legislation required the state of Nebraska to become a member of the Great Plains Interstate Forest Fire Compact. The compact facilitates the exchange and deployment of firefighting resources on a regional level. NEMA requested increased expenditures for the operation of the single-engine air tanker in the next biennium to cover previously unanticipated costs associated with the interstate compact agreement, the high cost of fire-retardant material, and the cost of using the Great Plains Dispatch Center in Rapid City, South Dakota, as the operations center to coordinate firefighting resources. To that end, I support the Governor's request for an additional allocation of \$62,500 in each of the fiscal years to capture these costs in our baseline appropriation. The addition of these funds and the opportunity to utilize reappropriated balances from Program 545 will be sufficient to address normal operational expenditures in the upcoming biennium. Now let me turn to Program 192, the Governor's Emergency Program. Since 1999, Nebraska has received 21 disaster declarations, 3 emergency fire declarations, and 1 emergency declaration at the federal level. Over the last eight years, NEMA has distributed in excess of \$322 million to eligible applicants through various assistance

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programs. The Governor's Emergency Program is the state's primary funding source to assist local jurisdictions with initial disaster response. At the time of our budget submission and through the end of December, the available balance in the Governor's Emergency Program was \$7.7 million. By the end of February, Program 192 had a total available balance of \$4 million. Over the past several budget cycles, our experience shows that maintaining a minimum balance of \$5 million is necessary to sustain sufficient resources for initial disaster response and subsequent recovery efforts. This strategy has been supported by this committee and the Legislature and has allowed us to respond quickly to disasters and, more importantly, helped us to avoid suspending payments, which we will do when the available balance is at risk for falling below \$1 million. We do this to ensure that we have enough funding available to respond to those events that none of us can predict. Assuming no future disaster responses, the Governor's recommended appropriation of \$500,000 per year is an important part of returning the Emergency Fund to a \$5 million base. Before I move on to Programs 544 and 548, which are concerned with National and State Guard and the State Tuition Assistance Program, are there any questions regarding the Governor's Emergency Program or the NEMA portion of my agency? [AGENCY 31]

SENATOR MELLO: Is there any questions from the committee regarding Programs 544 and 548 (sic)? Senator Kuehn. [AGENCY 31]

SENATOR KUEHN: Thank you, Chairman Mello. You mentioned an unexpended balance in Program 545. What do you estimate that unexpended balance to be on June 30? [AGENCY 31]

DARYL BOHAC: So I think we're looking at around \$300,000, assuming we don't expend some additional funds on a new Web-based emergency operating center dispatching software system, which will allow us better communication with local emergency managers and enhance our situational awareness across the state. [AGENCY 31]

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SENATOR KUEHN: And then has that system gone through any sort of an appropriation or oversight process before expending those funds? [AGENCY 31]

DARYL BOHAC: It has not. [AGENCY 31]

SENATOR KUEHN: Okay. Thank you. [AGENCY 31]

SENATOR MELLO: Senator Haar. [AGENCY 31]

SENATOR HAAR: Has the single-engine air tanker been used? [AGENCY 31]

DARYL BOHAC: It has been, Senator. Last year it was deployed I think on three occasions, and that's done without any...that's done under essentially my authority through NEMA. I have up to \$25,000 authority to expend those funds. That prevented fires from growing so I think that was an appropriate response for the state, and it prevents things from being a larger problem. [AGENCY 31]

SENATOR HAAR: And things are really getting dry right now. [AGENCY 31]

DARYL BOHAC: I think the real issue here is when you think about the levels of moisture, particularly out in western Nebraska this last year, there's an abundance of fuel on the ground. And as we continue to dry out, I think our risk for fires is going to...undoubtedly will increase over the summer. [AGENCY 31]

SENATOR HAAR: That was a good investment. [AGENCY 31]

DARYL BOHAC: I think so, Senator. [AGENCY 31]

SENATOR HAAR: Thanks. [AGENCY 31]

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SENATOR MELLO: Any other questions from the committee regarding Programs 544 or Programs 548 (sic)? Seeing none, please continue. [AGENCY 31]

DARYL BOHAC: Thank you. Actually, Senator, I'll turn now to Program 544 which is National and State Guard. This program area provides state funding for our headquarters to include the office of the Adjutant General, state support staff, as well as match funds for facilities maintenance and repair support agreements. I want to highlight the increased support of \$300,000 to the Army National Guard facility maintenance funding in the last biennial budget. This was an important step to reducing our maintenance backlog of \$5.5 million and closing the annual funding gap of \$518,435. We support the Governor's recommendation of an additional \$55,000 in the first year and \$44,000 in the second year of the FY '15-17 budget. For Program 548, State Tuition Assistance, the Governor and the committee has recommended an increase of \$120,000 per year. This was based on our assessment on the rate of obligation of those funds in early September 2014. This situation occurred because of a federal tuition assistance policy change by the Department of Army. Soldiers cannot receive federal tuition assistance until one year post advanced individual training, which is typically two years following their initial date of enlistment. Consequently, those soldiers turn to the State Tuition Assistance Program and we experienced higher demands than previous years. Thus, we support the Governor's request. Senators, that concludes my testimony. I'd be happy to answer any questions. Thank you. [AGENCY 31]

SENATOR MELLO: Thank you, Major General Bohac. Are there any questions from the committee? Senator Stinner. [AGENCY 31]

SENATOR STINNER: So I understand you to say when the federal government ceased the program you were supposed to step up and fund these young people that you've enticed into the program with education, right? [AGENCY 31]

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DARYL BOHAC: Yes, sir. The legislative history of the State Tuition Assistance Program dates back to the 1970s. And the statute currently reads that if a soldier or airman has accessibility to federal tuition assistance they shall turn there first and then to the State Tuition Assistance Program. [AGENCY 31]

SENATOR STINNER: Okay. How many young people have you not funded? [AGENCY 31]

DARYL BOHAC: This year at this point we had 83 students in this semester, the current term, and another 32 expected for the summer term. [AGENCY 31]

SENATOR STINNER: Okay. And you do not have the funds to pay their tuition? [AGENCY 31]

DARYL BOHAC: That's correct. We fully have obligated the money in Program 548. [AGENCY 31]

SENATOR STINNER: Thank you. [AGENCY 31]

SENATOR MELLO: Thank you, Senator Stinner. Any other questions from the committee? Major General, as a follow-up to Senator Stinner's questions, has the department discussed at all in regards to bringing a deficit request this year to fund those 83 students that currently are in school this semester as well as those projected 32 students over the next projected semester? [AGENCY 31]

DARYL BOHAC: We did discuss the possibility of a deficit request last fall. However, at that time we couldn't quantify the amount nor did we know the scope of the problem until almost the end of December. And so that really prevented us from doing that. [AGENCY 31]

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SENATOR MELLO: If this committee was to request that information from you in a formal manner, would you be able to provide those specific dollar amounts associated with those 83 students for this current semester as well as the projected, was it 32 students... [AGENCY 31]

DARYL BOHAC: Yes, Senator. [AGENCY 31]

SENATOR MELLO: ...in the next, is it the summer semester? [AGENCY 31]

DARYL BOHAC: Yes, sir. [AGENCY 31]

SENATOR MELLO: If you could provide the committee that information, I think...I know Senator Stinner has raised this issue with me as he's heard from constituents of his, as have other senators outside of this committee, I know it's a policy issue that we would want to consider, even if it's a directive from the Legislature in the deficit bill this year if we can get that information from the agency. [AGENCY 31]

DARYL BOHAC: Yes, sir. We'll provide a formal response to that request. [AGENCY 31]

SENATOR MELLO: Any other questions from the committee? Senator Stinner.
[AGENCY 31]

SENATOR STINNER: Thank you. Would that deficit request then reimburse these students that have paid for their tuition? [AGENCY 31]

DARYL BOHAC: I believe so, Senator. The statutes regarding the Tuition Assistance Program say that we will reimburse the universities or colleges for successfully completed courses, which means we wouldn't reimburse until the end or after the end of any given term. And so I believe we would have time to either refund or work through

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the university systems to give them a credit. [AGENCY 31]

SENATOR STINNER: Thank you. [AGENCY 31]

SENATOR MELLO: I only have one other question, Major General, and it is relationship to I believe the Governor's recommendation of the, I think it was the \$55,000 in the first year. The Governor's budget recommendation was a little vague in respects to whether or not that appropriation was specifically earmarked for the new National Guard museum in Seward I believe or if it was earmarked specifically for facility maintenance to meet the state's General Fund obligation for any facility maintenance projects that we have so we can draw down federal funds. The committee had a fairly lengthy conversation about both and it was just an item that we needed some clarification on, which is part of the reason why we may not have fully fulfilled what the Governor's recommendation was for that specific item. Can you please provide us any additional information that would be helpful to us of whether or not it's earmarked for one project or the other? [AGENCY 31]

DARYL BOHAC: It's earmarked for facility maintenance or the intent is to support that program. [AGENCY 31]

SENATOR MELLO: Okay. Any other questions from the committee? Seeing none, thank you, Major General Bohac. [AGENCY 31]

DARYL BOHAC: Thank you. [AGENCY 31]

SENATOR MELLO: Is there anyone else here wishing to testify on Agency 31, the Nebraska Military Department? Seeing none, that will close today's public hearing on Agency 31, the Nebraska Military Department, and take us to our next public hearing of the day, Agency 29, the Department of Natural Resources. [AGENCY 31]