

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1024

Page 1, line 2, after "quality" insert "; and to amend and reenact sections 23.1-10-02 and 23.1-10-05 of the North Dakota Century Code, relating to the environmental quality restoration fund and revenue to the fund"

Page 1, replace lines 10 through 19 with:

"	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$32,551,817	\$4,381,840	\$36,933,657
Operating expenses	10,771,898	5,405,796	16,177,694
Capital assets	1,247,172	(78,672)	1,168,500
Grants	<u>15,060,118</u>	<u>21,778,000</u>	<u>36,838,118</u>
Total all funds	\$59,631,005	\$31,486,964	\$91,117,969
Less estimated income	<u>46,969,930</u>	<u>29,858,605</u>	<u>76,828,535</u>
Total general fund	\$12,661,075	\$1,628,359	\$14,289,434
Full-time equivalent positions	166.00	5.00	171.00"

Page 1, line 21, after "biennium" insert "and the 2023-25 biennium one-time funding items included in the appropriation in section 1 of this Act"

Page 1, replace lines 23 and 24 with:

"Laboratory information management system	\$1,000,000	\$0
Chemistry laboratory inflation	0	116,800
Loan fund administration	0	177,350
Drinking water program portal	0	325,000
Environmental data systems upgrade	<u>0</u>	<u>1,365,444</u>
Total all funds	\$1,000,000	\$1,984,594
Less estimated income	<u>0</u>	<u>1,796,794</u>
Total general fund	\$1,000,000	\$187,800

The 2023-25 biennium one-time funding amounts are not a part of the entity's base budget for the 2025-27 biennium. The department of environmental quality shall report to the appropriations committees of the sixty-ninth legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2023, and ending June 30, 2025."

Page 2, line 6, replace "\$773,983" with "\$742,080"

Page 2, after line 8, insert:

"SECTION 5. AMENDMENT. Section 23.1-10-02 of the North Dakota Century Code is amended and reenacted as follows:

23.1-10-02. Environmental quality restoration fund - Continuing appropriation.

There is established an environmental quality restoration fund into which the funds recovered in this chapter may be deposited. The fund is to be administered by

the department of environmental quality and may be used by the department for costs of environmental assessment, removal, corrective action, or monitoring as determined on a case-by-case basis. All moneys placed in the fund under this section and section 23.1-10-05 are appropriated to the department on a continuing basis. If, on the first day of July in any year, the amount of uncommitted or unrestricted money in the environmental quality restoration fund is more than five million dollars, the amount in excess of five million dollars must be transferred to the general fund.

SECTION 6. AMENDMENT. Section 23.1-10-05 of the North Dakota Century Code is amended and reenacted as follows:

23.1-10-05. Revenue to the fund.

Revenue from the following sources must be deposited in the state treasury and credited to the fund:

1. ~~If the balance of the fund is less than five million dollars, moneys~~Moneys recovered by the department in an action or administrative proceeding based on violation of the state's environmental statutes, including actions for administrative expense recoveries, civil penalties, compensatory damages; and money paid pursuant to any agreement, stipulation, or settlement. This section does not limit the department's ability to agree to a supplemental environmental project as part of a settlement.
2. Moneys donated to the department for the purposes of this chapter.
3. Transfers from the abandoned oil and gas well plugging and site reclamation fund under subdivision f of subsection 2 of section 38-08-04.5.
4. Moneys received from a federal agency for the purpose of this section.
5. Any other moneys as may be deposited in the fund for use in carrying out the purposes of this chapter."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1024 - Department of Environmental Quality - House Action

	Base Budget	House Changes	House Version
Salaries and wages	\$32,551,817	\$4,381,840	\$36,933,657
Operating expenses	10,771,898	5,405,796	16,177,694
Capital assets	1,247,172	(78,672)	1,168,500
Grants	15,060,118	21,778,000	36,838,118
Total all funds	\$59,631,005	\$31,486,964	\$91,117,969
Less estimated income	46,969,930	29,858,605	76,828,535
General fund	\$12,661,075	\$1,628,359	\$14,289,434
FTE	166.00	5.00	171.00

Department 303 - Department of Environmental Quality - Detail of House Changes

	Adjusts Funding for Cost to Continue Salaries¹	Adjust Base Budget Funding²	Adds Funding for Salary and Benefit Increases³	Adds 1 FTE Natural Resource Services III Position⁴	Adds 2 FTE Engineering and Planning Services VI Positions⁵	Adds 1 FTE Civil Rights and Environmental Justice Position⁶
Salaries and wages	\$231,457	\$259,515	\$2,449,222	\$218,662	\$511,284	\$218,664
Operating expenses		2,338,313		7,500	97,500	25,168
Capital assets		(113,700)				
Grants		778,000				
Total all funds	\$231,457	\$3,262,128	\$2,449,222	\$226,162	\$608,784	\$243,832
Less estimated income	149,916	3,262,128	1,727,484	226,162	608,784	158,491
General fund	\$81,541	\$0	\$721,738	\$0	\$0	\$85,341
FTE	0.00	0.00	0.00	1.00	2.00	1.00

	Adds 1 FTE Accountant Budget Specialist III Position⁷	Increases Funding for Temporary Salaries⁸	Adds Funding for LIMS Maintenance and Hosting⁹	Increases Funding for Information Technology¹⁰	Adds Funding for Lead and Copper Testing¹¹	Adds Funding for Lead and Copper Program Materials¹²
Salaries and wages	\$218,476	\$274,560				
Operating expenses	10,500		\$280,000	\$223,221	\$184,000	\$10,000
Capital assets						
Grants						
Total all funds	\$228,976	\$274,560	\$280,000	\$223,221	\$184,000	\$10,000
Less estimated income	148,835	274,560	0	86,842	184,000	10,000
General fund	\$80,141	\$0	\$280,000	\$136,379	\$0	\$0
FTE	1.00	0.00	0.00	0.00	0.00	0.00

	Adds Funding for Drinking Water Database¹³	Adds Funding for a Lead Line Service Replacement Project¹⁴	Adds Funding for Environmental Data System Maintenance¹⁵	Removes Funding for Bond Payment¹⁶	Adds Funding for IJA Grants¹⁷	Adds One-Time Funding for Chemistry Laboratory Inflation¹⁸
Salaries and wages						
Operating expenses	\$100,000	\$150,000	\$150,000			\$116,800
Capital assets				(\$119,972)		
Grants					\$21,000,000	
Total all funds	\$100,000	\$150,000	\$150,000	(\$119,972)	\$21,000,000	\$116,800
Less estimated income	100,000	150,000	35,000	(60,391)	21,000,000	0
General fund	\$0	\$0	\$115,000	(\$59,581)	\$0	\$116,800
FTE	0.00	0.00	0.00	0.00	0.00	0.00

	Adds One-Time Funding to Administer IJA Revolving Loan Fund¹⁹	Adds One-Time Funding for a Drinking Water Program Portal²⁰	Adds One-Time Funding for Environmental Data System Development²¹	Total House Changes
Salaries and wages				\$4,381,840
Operating expenses	\$22,350	\$325,000	\$1,365,444	5,405,796
Capital assets	155,000			(78,672)
Grants				21,778,000
Total all funds	\$177,350	\$325,000	\$1,365,444	\$31,486,964
Less estimated income	177,350	325,000	1,294,444	29,858,605
General fund	\$0	\$0	\$71,000	\$1,628,359
FTE	0.00	0.00	0.00	5.00

¹ Funding is added for cost to continue salary increases.

² Funding is added from federal funds for base budget adjustments, including increases in salaries and wages (\$259,515), operating expenses (\$2,338,313), and grants (\$778,000) and a decrease in capital assets of \$113,700.

³ The following funding is added for 2023-25 biennium salary adjustments of 4 percent on July 1, 2023, and 4 percent on July 1, 2024, and increases in health insurance premiums from \$1,429 to \$1,648 per month:

	<u>General Fund</u>	<u>Other Funds</u>	<u>Total</u>
Salary increase	\$492,317	\$1,178,150	\$1,670,467
Health insurance increase	<u>229,421</u>	<u>549,334</u>	<u>778,755</u>
Total	\$721,738	\$1,727,484	\$2,449,222

⁴ Funding from federal and special funds is added for 1 FTE natural resource services III position and related operating expenses.

⁵ Funding from federal funds is added for 2 FTE engineering and planning services VI positions and related operating expenses.

⁶ Funding, including funding from federal and special funds, is added for 1 FTE civil rights and environmental justice position in the Office of the Director and related operating expenses.

⁷ Funding, including funding from federal and special funds, is added for 1 FTE accountant budget specialist III position in the Office of the Director and related operating expenses.

⁸ Funding from federal funds is increased for temporary salaries related to lead line inventory.

⁹ Funding is added for operating expenses related to the laboratory information management system (LIMS) maintenance and hosting.

¹⁰ Funding is added for operating expenses related to ITD rate increases.

¹¹ Funding from special funds is added for operating expenses related to lead and copper testing.

¹² Federal funding is added for operating expenses related to printing lead and copper program materials.

¹³ Federal funding is added for operating expenses related to ongoing licensing and maintenance of the drinking water system database.

¹⁴ Federal funding is added for operating expenses for professional services related to a lead line service replacement project.

¹⁵ Funding, including federal funds, is added for operating expenses related to environmental data system maintenance.

¹⁶ Funding, including funding from federal funds, for the 2021-23 biennium bond payment is removed.

¹⁷ Federal funding is added for grants related to the federal Infrastructure Investment and Jobs Act (IIJA) municipal facilities and lead and copper programs.

¹⁸ One-time funding is added for operating expenses related to chemistry laboratory inflation.

¹⁹ One-time funding from federal funds is added to administer the IIJA municipal facilities revolving loan fund, including operating expenses for office and IT equipment and capital assets for equipment over \$5,000.

²⁰ One-time funding from federal funds is added for operating expenses to upgrade the drinking water program portal.

²¹ One-time funding, including funding from federal and special funds, is added for environmental data system development.

This amendment also:

- Amends a section to adjust funding appropriated from the petroleum release compensation fund for expenses related to the petroleum tank release program; and
- Adds sections to remove the balance requirement in the environmental quality restoration fund to receive deposits and provide if, on the 1st day of July in any year, the amount of uncommitted or unrestricted money in

the environmental quality restoration fund is more than \$5 million, the amount in excess of \$5 million must be transferred to the general fund.