

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1024 - Funding Summary

	Base Budget	Final Legislative Action	Comparison to Base Budget
Department of Environmental Quality			
Salaries and wages	\$27,040,544	\$30,587,358	\$3,546,814
Operating expenses	8,005,878	10,002,180	1,996,302
Capital assets	1,258,249	2,263,429	1,005,180
Grants	13,407,000	15,861,529	2,454,529
Total all funds	\$49,711,671	\$58,714,496	\$9,002,825
Less estimated income	38,987,520	46,233,574	7,246,054
General fund	\$10,724,151	\$12,480,922	\$1,756,771
FTE	152.50	165.50	13.00
Bill total			
Total all funds	\$49,711,671	\$58,714,496	\$9,002,825
Less estimated income	38,987,520	46,233,574	7,246,054
General fund	\$10,724,151	\$12,480,922	\$1,756,771
FTE	152.50	165.50	13.00

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

	Base Budget	House Changes	House Version
Salaries and wages	\$27,040,544	\$3,156,409	\$30,196,953
Operating expenses	8,005,878	1,996,302	10,002,180
Capital assets	1,258,249	1,005,180	2,263,429
Grants	13,407,000	2,454,529	15,861,529
Total all funds	\$49,711,671	\$8,612,420	\$58,324,091
Less estimated income	38,987,520	7,428,412	46,415,932
General fund	\$10,724,151	\$1,184,008	\$11,908,159
FTE	152.50	13.00	165.50

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

	Adjusts Funding for Base Payroll Changes¹	Adds Funding for Salary and Benefit Increases²	Cost to Continue Adjustments³	Removes 3 FTE Positions⁴	Adds Funding to Transfer the Petroleum Tank Release Program⁵	Adds Funding to Transfer the Boiler Inspection Program⁶
Salaries and wages	\$146,390	\$1,396,063		(\$365,530)	\$336,481	\$753,365
Operating expenses			\$1,239,823		238,588	89,000
Capital assets						
Grants			(445,000)			
Total all funds	\$146,390	\$1,396,063	\$794,823	(\$365,530)	\$575,069	\$842,365
Less estimated income	322,006	939,547	957,799	(271,407)	575,069	842,365
General fund	(\$175,616)	\$456,516	(\$162,976)	(\$94,123)	\$0	\$0
FTE	0.00	0.00	0.00	(3.00)	2.00	4.00

	Adds Contingent Funding and FTE Positions for the Supremacy of Federal Programs⁷	Decreases Funding for Water Treatment System Training⁸	Adds Funding for Microsoft Office 365 Licensing⁹	Adjusts Funding for Bond and Capital Payments¹⁰	Reduces Funding for Extraordinary Repairs¹¹	Increases Funding for Equipment¹²
Salaries and wages	\$889,640					
Operating expenses	359,305	(\$55,000)	\$84,586			
Capital assets				\$3,405	(\$273,350)	\$275,125
Grants						
Total all funds	\$1,248,945	(\$55,000)	\$84,586	\$3,405	(\$273,350)	\$275,125
Less estimated income	0	0	64,538	1,541	(217,700)	275,125
General fund	\$1,248,945	(\$55,000)	\$20,048	\$1,864	(\$55,650)	\$0
FTE	10.00	0.00	0.00	0.00	0.00	0.00

	Adds Funding for Grants from the Volkswagen Trust Settlement¹³	Adds One- Time Contingent Funding to Establish Federal Program Supremacy¹⁴	Total House Changes
Salaries and wages			\$3,156,409
Operating expenses		\$40,000	1,996,302
Capital assets		1,000,000	1,005,180
Grants	\$2,899,529		2,454,529
Total all funds	\$2,899,529	\$1,040,000	\$8,612,420
Less estimated income	2,899,529	1,040,000	7,428,412
General fund	\$0	\$0	\$1,184,008
FTE	0.00	0.00	13.00

¹ Funding is adjusted for base payroll changes.

² The following funding is added for 2019-21 biennium salary adjustments of 2 percent per year and increases in health insurance premiums from \$1,241 to \$1,427 per month:

	General Fund	Other Funds	Total
Salary increase	\$231,686	\$472,755	\$704,441
Health insurance increase	224,830	466,792	691,622
Total	\$456,516	\$939,547	\$1,396,063

³ Funding is adjusted for cost to continue changes to the base budget.

⁴ Three FTE positions and related funding for salaries and wages are removed.

⁵ Two FTE positions and related funding from the petroleum tank release compensation fund for salaries and wages and operating expenses are transferred from the Insurance Department to the Department of Environmental Quality for the petroleum tank release program.

⁶ Four FTE positions are added to transfer the boiler inspection program from the Insurance Department to the Department of Environmental Quality, including funding from the state fire and tornado fund for base salaries and wages of \$753,365 and operating expenses of \$89,000.

⁷ Contingent funding and 10 FTE positions are added in the 2nd year of the biennium for the supremacy of federal programs, including funding for salaries and wages of \$889,640 and operating expenses of \$359,305. The appropriation and FTE positions are contingent on federal Environmental Protection Agency approval of the Department of Environmental Quality assuming the duties of federal air pollution programs.

⁸ Funding for operating expenses related to training water treatment system operators is reduced to provide a total of \$125,000 from the general fund.

⁹ Funding is added for Microsoft Office 365 license expenses.

¹⁰ Funding for bond and capital payments is increased to provide a total of \$216,429, of which \$93,691 is from the general fund.

¹¹ Funding for extraordinary repairs is reduced to provide a total of \$27,000, of which \$6,866 is from the general fund.

¹² Funding for equipment and information technology equipment over \$5,000 is increased to provide a total ongoing appropriation of \$1,020,000 from other funds.

¹³ Funding for grants is increased to accept and disburse funding from the Volkswagen trust settlement to provide a total of \$5,399,529.

¹⁴ One-time funding is added from the strategic investment and improvements fund for capital assets of \$1 million and operating expenses of \$40,000 related to the establishment of federal program supremacy. The funding is contingent on Environmental Protection Agency approval of the Department of Environmental Quality assuming the duties of federal air pollution programs.

This amendment also adds sections to:

- Identify funding from the state fire and tornado fund for the boiler inspection program;
- Identify contingent one-time funding of \$1,040,000 from the strategic investment and improvements fund for air pollution program equipment related to the establishment of federal program supremacy. The funding provided is available the 2nd year of the biennium and is contingent on Environmental Protection Agency approval of the Department of Environmental Quality assuming the duties of federal air pollution programs;
- Identify contingent funding of \$1,248,945 from the general fund and 10 FTE positions related to the establishment of federal program supremacy effective July 1, 2020;
- Amend various sections of Chapter 23.1-12 to transfer the petroleum tank release program from the Insurance Commissioner to the Department of Environmental Quality and to provide the Department of Environmental Quality set registration fees by rule;
- Create Chapter 23.1-16 to transfer the boiler inspection program from the Insurance Commissioner to the Department of Environmental Quality;
- Repeal Chapter 26.1-22.1 related to the boiler inspection program; and
- Provide effective dates for the program transfers.

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

	Base Budget	House Version	Senate Changes	Senate Version
Salaries and wages	\$27,040,544	\$30,196,953	\$390,405	\$30,587,358
Operating expenses	8,005,878	10,002,180		10,002,180
Capital assets	1,258,249	2,263,429		2,263,429
Grants	13,407,000	15,861,529		15,861,529
Total all funds	\$49,711,671	\$58,324,091	\$390,405	\$58,714,496
Less estimated income	38,987,520	46,415,932	(767,390)	45,648,542
General fund	\$10,724,151	\$11,908,159	\$1,157,795	\$13,065,954
FTE	152.50	165.50	0.00	165.50

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

	Adds Funding for Salary Increases ¹	Adds Funding for Health Insurance Increases ²	Adds 2 FTE Positions for the Supremacy of Federal Programs ³	Removes 2 FTE Positions for the Supremacy of Federal Programs ⁴	Adjusts the Funding Source of the Boiler Inspection Program ⁵	Total Senate Changes
Salaries and wages	\$184,841	\$13,386	\$384,356	(\$192,178)		\$390,405
Operating expenses						
Capital assets						
Grants						
Total all funds	\$184,841	\$13,386	\$384,356	(\$192,178)	\$0	\$390,405
Less estimated income	111,289	3,570	0	0	(882,249)	(767,390)
General fund	\$73,552	\$9,816	\$384,356	(\$192,178)	\$882,249	\$1,157,795
FTE	0.00	0.00	2.00	(2.00)	0.00	0.00

¹ Funding is added to provide for employee salary increases of 2 percent on July 1, 2019, with a minimum monthly increase of \$120 and a maximum monthly increase of \$200, and an increase of 2.5 percent on July 1, 2020. The House provided funding for a salary increase of 2 percent on July 1, 2019, and a 2 percent increase on July 1, 2020.

² Funding is added for health insurance increases related to an information technology unification FTE position not removed and the 2 FTE positions related to the supremacy of federal programs.

³ Two of the contingent FTE positions provided by the House and related funding for salaries and wages are added in the 1st year of the biennium for the supremacy of federal programs. The House provided contingent funding and 10 FTE positions in the 2nd year of the biennium for the supremacy of federal programs.

⁴ Two of the contingent 10 FTE positions provided by the House in the 2nd year of the biennium for the supremacy of federal programs and related funding for salaries and wages are removed because they are added in the 1st year of the biennium by the Senate, to provide 8 FTE positions in the 2nd year of the biennium.

⁵ Funding provided for the boiler inspection program, including funding for salaries and wages of \$793,249 and operating expenses of \$89,000, is provided from the general fund instead of the state fire and tornado fund.

This amendment also:

- Removes a section identifying funding from the state fire and tornado fund for the boiler inspection program because funding for the program is provided from the general fund;
- Adds a section to identify funding from the petroleum release compensation fund for expenses related to the petroleum release program;
- Adjusts the contingent appropriation from the general fund for federal program supremacy to reduce total funding and FTE added in the 2nd year of the biennium;
- Adds a section to provide for petroleum tank fees to be assessed until the Department of Environmental Quality adopts rules regarding fees;
- Amends the section created to transfer the boiler inspection program to the Department of Environmental Quality to require fees collected under the section are deposited in the general fund, which will result in an estimated increase in general fund revenues of \$600,000;
- Adds a section to require that the Department of Environmental Quality review the boiler inspection program during the 2019-20 interim, develop a plan for program fees to meet program expenses, and report to the Legislative Management regarding the plan before June 30, 2020; and
- Adds a section to provide for a contingent expiration date for the section which provides for petroleum tank fees to be assessed until the Department of Environmental Quality adopts rules regarding fees.

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

	Base Budget	House Version	Conference Committee Changes	Conference Committee Version	Senate Version	Comparison to Senate
Salaries and wages	\$27,040,544	\$30,196,953	\$390,405	\$30,587,358	\$30,587,358	
Operating expenses	8,005,878	10,002,180		10,002,180	10,002,180	
Capital assets	1,258,249	2,263,429		2,263,429	2,263,429	
Grants	13,407,000	15,861,529		15,861,529	15,861,529	
Total all funds	\$49,711,671	\$58,324,091	\$390,405	\$58,714,496	\$58,714,496	\$0
Less estimated income	38,987,520	46,415,932	(182,358)	46,233,574	45,648,542	585,032
General fund	\$10,724,151	\$11,908,159	\$572,763	\$12,480,922	\$13,065,954	(\$585,032)
FTE	152.50	165.50	0.00	165.50	165.50	0.00

Department 303 - Department of Environmental Quality - Detail of Conference Committee Changes

	Adds Funding for Salary Increases ¹	Adds Funding for Health Insurance Increases ²	Adds 2 FTE Positions for the Supremacy of Federal Programs ³	Removes 2 FTE Positions for the Supremacy of Federal Programs ⁴	Adjusts the Funding Source of the Petroleum Tank Release Program ⁵	Total Conference Committee Changes
Salaries and wages	\$184,841	\$13,386	\$384,356	(\$192,178)		\$390,405
Operating expenses						
Capital assets						
Grants						
Total all funds	\$184,841	\$13,386	\$384,356	(\$192,178)	\$0	\$390,405
Less estimated income	111,289	3,570	0	0	(297,217)	(182,358)
General fund	\$73,552	\$9,816	\$384,356	(\$192,178)	\$297,217	\$572,763
FTE	0.00	0.00	2.00	(2.00)	0.00	0.00

¹ Funding is added to provide for employee salary increases of 2 percent on July 1, 2019, with a minimum monthly increase of \$120 and a maximum monthly increase of \$200, and an increase of 2.5 percent on July 1, 2020, the same as the Senate version. The House provided funding for a salary increase of 2 percent on July 1, 2019, and a 2 percent increase on July 1, 2020.

² Funding is added for health insurance increases related to an information technology unification FTE position not removed and the 2 FTE positions related to the supremacy of federal programs, the same as the Senate version.

³ Two of the FTE positions provided by the House in the 2nd year of the biennium and related funding for salaries and wages are added in the 1st year of the biennium for the supremacy of federal programs, the same as the Senate version. The House provided contingent funding and 10 FTE positions in the 2nd year of the biennium for the supremacy of federal programs.

⁴ Two of the contingent 10 FTE positions provided by the House in the 2nd year of the biennium for the supremacy of federal programs and related funding for salaries and wages are removed because they are added in the 1st year of the biennium, the same as the Senate version, to provide 8 FTE positions in the 2nd year of the biennium.

⁵ Funding for 50 percent of the total provided for defraying the expenses of the petroleum tank release program is provided from the general fund, instead of the petroleum release compensation fund. The House and the Senate provided \$594,434, including funding for salaries and wages of \$355,846 and operating expenses of \$238,588, from the petroleum release compensation fund for the program.

This amendment also:

- Amends a section identifying funding from the state fire and tornado fund for the boiler inspection program. The Senate provided the funding for the program from the general fund;
- Adds a section to identify funding from the petroleum release compensation fund for 50 percent of the funding related to the petroleum release program. Both the House and Senate had provided 100 percent of the funding for the program from the petroleum release compensation fund;
- Adjusts the section relating to the appropriation from the general fund for federal program supremacy to reduce total funding and FTE added in the 2nd year of the biennium;

- Adds a section to provide for petroleum tank fees to be assessed until the Department of Environmental Quality adopts rules regarding fees, the same as the Senate version;
- Amends the section related to the disposition of funds in the boiler inspection program, created to transfer the boiler inspection program to the Department of Environmental Quality, to require fees collected under the section are deposited in the Department of Environmental Quality operating fund beginning July 1, 2020. The House had continued to deposit the fees in the state fire and tornado fund and the senate had provided the fees be deposited in the general fund;
- Adds a section to require that the Department of Environmental Quality review the boiler inspection program during the 2019-20 interim, develop a plan for program fees to meet program expenses, and report to the Legislative Management regarding the plan before June 30, 2020, the same as the Senate version;
- Removes the contingent effective date related to Department of Environmental Quality programs because the department has received federal certification of the transfer of authority, powers, and duties to the Department of Environmental Quality; and
- Adds a section to provide for a contingent expiration date for the section which provides for petroleum tank fees to be assessed until the Department of Environmental Quality adopts rules regarding fees, the same as the Senate version.

House Bill No. 1024 - Other Changes - Conference Committee Action

The Conference Committee provided \$882,249 for the boiler inspection program, including funding for salaries and wages of \$793,249 and operating expenses of \$89,000, from the state fire and tornado fund, the same as the House version, instead of the general fund which was included in the Senate version. The Conference Committee also amended North Dakota Century Code Section 23.1-16-13, related to the disposition of boiler inspection funds, to provide, effective July 1, 2020, fees related to the boiler inspection program are deposited in the Department of Environmental Quality operating fund. The Senate provided for fees to be deposited in the general fund effective July 1, 2019, which would have increased general fund revenues by \$600,000.