

**Department of Environmental Quality
Budget No. 303
Senate Bill No. 2024**

	FTE Positions	General Fund	Other Funds	Total
2021-23 legislative appropriations	166.00	\$13,661,075	\$46,969,930	\$60,631,005
2021-23 base budget	165.50	12,480,922	45,193,574	57,674,496
Legislative increase (decrease) to base budget	.50	\$1,180,153	\$1,776,356	\$2,956,509

ONGOING AND ONE-TIME GENERAL FUND APPROPRIATIONS

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2021-23 legislative appropriations	\$12,661,075	\$1,000,000	\$13,661,075
2019-21 legislative appropriations	12,480,922	0	12,480,922
2021-23 legislative increase (decrease) to 2019-21 appropriations	\$180,153	\$1,000,000	\$1,180,153
Percentage increase (decrease) to 2019-21 appropriations	1.4%	N/A	9.5%

**SUMMARY OF LEGISLATIVE CHANGES TO THE BASE BUDGET AND MAJOR FUNDING ITEMS
Changes to Base Budget**

	FTE Positions	General Fund	Other Funds	Total
The legislative action:				
Adjusted funding for base payroll changes		\$735,778	\$540,462	\$1,276,240
Added funding to provide employee salary increases of 1.5 percent on July 1, 2021, with a minimum monthly increase of \$100 and 2.0 percent on July 1, 2022		221,718	522,853	744,571
Added funding for employee health insurance premiums to reflect a revised premium estimate of \$1,428.77 per month.		2,442	5,644	8,086
Decreased funding for temporary salaries		(138,050)		(138,050)
Transferred 1 FTE computer and network specialist III position to the Information Technology Department for the information technology (IT) unification initiative, including a decrease in salaries and wages and an increase in operating expenses	(1.00)	2,022	3,755	5,777

Added 1.5 FTE accounting positions, including 1 FTE accounting manager II position and .5 accounting/budget specialist III position, and related funding for salaries and wages of \$329,622 and reduced funding for operating expenses by \$470,361 related to accounting services provided by the State Department of Health	1.50		(140,739)	(140,739)
Removed 2 FTE environmental scientist II positions paid from the general fund and restored other positions from special funds (See the following FTE positions added)	(2.00)	(360,800)		(360,800)
Added a .5 FTE environmental scientist III position and related funding for salaries and wages	.50		66,879	66,879
Added a .5 FTE accounting/budget analyst III position, including salaries and wages of \$110,099 and related operating expenses of \$8,201	.50		118,300	118,300
Added 1 FTE environmental scientist II position, including salaries and wages of \$152,169 and related operating expenses of \$33,331 in the petroleum tank release program to adjust the funding source to special funds	1.00		185,500	185,500
Increased funding from fees for boiler inspection program operating expenses			200,000	200,000
Decreased funding for operating expenses		(614,873)		(614,873)
Added funding from pollutant discharge elimination system program fees for operating expenses to develop a web-based application reporting system for the North Dakota pollutant discharge elimination system program			343,732	343,732
Increased funding for cost to continue operating expenses (\$1,168,827) and grants (\$113,000), including funding to fully fund the Quad O and Quad Oa program, increases in IT data processing, IT equipment, and repairs		362,474	919,353	1,281,827
Decreased funding for Volkswagen settlement grants to provide a total of \$4,485,118			(914,411)	(914,411)
Added funding for Microsoft Office 365 license expenses		5,618	13,109	18,727
Removed funding for Information Technology Department customer success management fees			(108,000)	(108,000)
Decreased funding for bond and capital payments to provide a total of \$119,972, of which \$59,581 is from the general fund		(34,110)	(62,347)	(96,457)
Decreased funding for extraordinary repairs to provide a total of \$24,000, of which \$4,800 is from the general fund		(2,066)	(934)	(3,000)

Increased funding for equipment and IT equipment over \$5,000 to provide a total ongoing appropriation of \$1,103,200 of other funds		83,200		83,200
Added one-time funding for a laboratory information management system		1,000,000		1,000,000
Total	<u>.50</u>	<u>\$1,180,153</u>	<u>\$1,776,356</u>	<u>\$2,956,509</u>

FTE Changes

The Legislative Assembly approved 166 FTE positions for the Department of Environmental Quality (DEQ) for the 2021-23 biennium, an increase of a .5 FTE position from the 2019-21 biennium. The Legislative Assembly transferred 1 FTE computer and network specialist III position to the Information Technology Department for the IT unification initiative; added 1.5 FTE accounting positions, including 1 FTE accounting manager II position and .5 accounting/budget specialist III position; and replaced 2 FTE environmental scientist II positions paid from the general fund with a total of 2 FTE positions funded from special funds, including a .5 FTE environmental scientist III position, .5 FTE accounting/budget analyst III position, and 1 FTE environmental scientist II position in the petroleum tank release program.

One-Time Funding

In Section 2 of Senate Bill No. 2024, the Legislative Assembly identified \$1 million of one-time funding from the general fund for a laboratory information management system. This amount is not to be considered part of DEQ's 2023-25 biennium base budget, and DEQ is to report to the Appropriations Committees during the 2023 legislative session on the use of this funding.

Federal COVID-19 Funding - 2019-21 Biennium

In House Bill No. 1395, the Legislative Assembly appropriated \$745,000 of federal coronavirus relief funds to DEQ for 2019-21 biennium expenditures, including \$5,000 for printers and scanners and \$740,000 to expand a wastewater testing project for the presence of COVID-19, including salaries (\$26,940), operating expenses (\$518,060), and grants (\$195,000).

Other Sections in Senate Bill No. 2024

Environment and rangeland protection fund - Section 3 authorizes DEQ to spend \$250,000 from the environment and rangeland protection fund for the ground water testing programs. Of this amount, \$50,000 is for a grant to the North Dakota Stockmen's Association for the environmental services program.

Petroleum release compensation fund - Section 4 authorizes DEQ to spend \$773,983 from the petroleum release compensation fund for expenses related to the petroleum tank release program.

Boiler inspection certificate - Section 5 amends North Dakota Century Code Section 23.1-16-10 to increase the fee for a boiler inspection certificate from \$20 to \$35.

Legislative intent - Federal coronavirus relief funds - Section 6 provides legislative intent that the department use federal coronavirus relief funds, or any other funds available, for wastewater testing. In addition, legislative intent also is provided that the department use federal coronavirus relief funds or other available funds for the laboratory information management system before accessing funding from the general fund. The department may seek Emergency Commission approval to adjust the funding source if a nongeneral fund source is identified.

Legislative Management report - Low-carbon initiative - Section 7 requires the department to gather information from private industry, private organizations, and government that relates to carbon reduction initiatives, rules, or policies that will affect North Dakota residents and industries and report to the Legislative Management.

Related Legislation

Senate Bill No. 2070 - Expands the use of the **environmental quality restoration fund** to include environmental incidents and contaminated property and provides a continuing appropriation to DEQ for costs of environmental assessment, removal, corrective action, or monitoring as determined on a case-by-case basis.

House Bill No. 1395 - Provides an appropriation of \$745,000 from the federal Coronavirus Relief Fund as approved by the Emergency Commission and Budget Section for DEQ for a wastewater testing project and for printers and scanners during the 2019-21 biennium.