

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	\$32,551,817	\$37,104,866	\$4,553,049
Operating expenses	10,771,898	17,247,426	6,475,528
Capital assets	1,247,172	1,168,500	(78,672)
Grants	15,060,118	37,198,118	22,138,000
Lead pipe removal and clean water grants		25,000,000	25,000,000
Total all funds	\$59,631,005	\$117,718,910	\$58,087,905
Less estimated income	46,969,930	101,936,886	54,966,956
General fund	\$12,661,075	\$15,782,024	\$3,120,949
FTE	166.00	173.00	7.00
Bill total			
Total all funds	\$59,631,005	\$117,718,910	\$58,087,905
Less estimated income	46,969,930	101,936,886	54,966,956
General fund	\$12,661,075	\$15,782,024	\$3,120,949
FTE	166.00	173.00	7.00

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	Adjusts 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				
Lead pipe removal and clean water grants						
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						
Lead pipe removal and clean water 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	
Lead pipe removal and clean water grants						
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
Lead pipe removal and clean water grants				
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:

	General Fund	Other Funds	Total
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.

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

	Base Budget	House Version	Senate Changes	Senate Version
Salaries and wages	\$32,551,817	\$36,933,657	\$171,209	\$37,104,866
Operating expenses	10,771,898	16,177,694	1,069,732	17,247,426
Capital assets	1,247,172	1,168,500		1,168,500
Grants	15,060,118	36,838,118	360,000	37,198,118
Total all funds	\$59,631,005	\$91,117,969	\$1,600,941	\$92,718,910
Less estimated income	46,969,930	76,828,535	108,351	76,936,886
General fund	\$12,661,075	\$14,289,434	\$1,492,590	\$15,782,024
FTE	166.00	171.00	2.00	173.00

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

	Adds Funding for Salary and Benefit Increases¹	Removes Salary Funding for Funding Pool²	Adds Funding for Health Insurance Increases for Vacant Positions³	Adds Salary Equity Funding to Reclassify Positions⁴	Adds 1 FTE Human Resource Director Position⁵	Adds 1 FTE Assistant Director Position⁶
Salaries and wages	\$587,965	(\$3,743,544)	\$121,026	\$2,000,000	\$255,456	\$349,706
Operating expenses					15,165	15,167
Capital assets						
Grants						
Lead pipe removal and clean water grants						
Total all funds	\$587,965	(\$3,743,544)	\$121,026	\$2,000,000	\$270,621	\$364,873
Less estimated income	412,219	(2,795,634)	78,694	0	175,903	237,169
General fund	\$175,746	(\$947,910)	\$42,332	\$2,000,000	\$94,718	\$127,704
FTE	0.00	0.00	0.00	0.00	1.00	1.00

	Adds Funding for Federal Climate Pollution Reduction Act Grant⁷	Total Senate Changes
Salaries and wages	\$600,600	\$171,209
Operating expenses	1,039,400	1,069,732
Capital assets		
Grants	360,000	360,000
Lead pipe removal and clean water grants		
Total all funds	\$2,000,000	\$1,600,941
Less estimated income	2,000,000	108,351
General fund	\$0	\$1,492,590
FTE	0.00	2.00

¹ Salaries and wages funding is adjusted to provide for 2023-25 biennium salary increases of 6 percent on July 1, 2023, and 4 percent on July 1, 2024, and for adjustments to health insurance premium rates as follows:

	General Fund	Other Funds	Total
Salary increase	\$180,905	\$424,571	\$605,476
Health insurance increase	(5,159)	(12,352)	(17,511)
Total	\$175,746	\$412,219	\$587,965

The House provided salary adjustments of 4 percent on July 1, 2023, and July 1, 2024.

² Funding for new FTE positions and estimated savings from vacant FTE positions is removed as shown below. These amounts are available to the agency if needed by submitting a request to the Office of Management and

Budget for a transfer from the new and vacant FTE funding pool.

	General Fund	Other Funds	Total
New FTE positions	(\$364,806)	(\$1,407,442)	(\$1,772,248)
Vacant FTE positions	<u>(583,104)</u>	<u>(1,388,192)</u>	<u>(1,971,296)</u>
Total	(\$947,910)	(\$2,795,634)	(\$3,743,544)

³ Funding is added for health insurance increases for vacant positions that was not included in the executive recommendation or the House version.

⁴ Equity funding is added to increase salaries and wages to reclassify chemist and environmental scientist positions. The funding is provided in addition to equity funding included in the salary equity pool appropriated to the Office of Management and Budget. The House did not include funding to reclassify positions.

⁵ Funding, including funding from federal and special funds, is added for 1 FTE human resource director position in the Office of the Director and related operating expenses.

⁶ Funding, including funding from federal and special funds, is added for 1 FTE assistant director in the Office of the Director and related operating expenses.

⁷ Federal funding is added for a Climate Pollution Reduction Act grant.

This amendment also adds an exemption to allow the department to continue unexpended one-time funding provided during the 2021-23 biennium for the laboratory information management system project.

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	\$32,551,817	\$36,933,657	\$171,209	\$37,104,866	\$37,104,866	
Operating expenses	10,771,898	16,177,694	1,069,732	17,247,426	17,247,426	
Capital assets	1,247,172	1,168,500		1,168,500	1,168,500	
Grants	15,060,118	36,838,118	360,000	37,198,118	37,198,118	
Lead pipe removal and clean water grants			25,000,000	25,000,000		\$25,000,000
Total all funds	\$59,631,005	\$91,117,969	\$26,600,941	\$117,718,910	\$92,718,910	\$25,000,000
Less estimated income	<u>46,969,930</u>	<u>76,828,535</u>	<u>25,108,351</u>	<u>101,936,886</u>	<u>76,936,886</u>	<u>25,000,000</u>
General fund	\$12,661,075	\$14,289,434	\$1,492,590	\$15,782,024	\$15,782,024	\$0
FTE	166.00	171.00	2.00	173.00	173.00	0.00

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

	Adds Funding for Salary and Benefit Increases¹	Removes Salary Funding for Funding Pool²	Adds Funding for Health Insurance Increases for Vacant Positions³	Adds Salary Equity Funding to Reclassify Positions⁴	Adds 1 FTE Human Resource Director Position⁵	Adds 1 FTE Assistant Director Position⁶
Salaries and wages	\$587,965	(\$3,743,544)	\$121,026	\$2,000,000	\$255,456	\$349,706
Operating expenses					15,165	15,167
Capital assets						
Grants						
Lead pipe removal and clean water grants						
Total all funds	\$587,965	(\$3,743,544)	\$121,026	\$2,000,000	\$270,621	\$364,873
Less estimated income	<u>412,219</u>	<u>(2,795,634)</u>	<u>78,694</u>	<u>0</u>	<u>175,903</u>	<u>237,169</u>
General fund	\$175,746	(\$947,910)	\$42,332	\$2,000,000	\$94,718	\$127,704
FTE	0.00	0.00	0.00	0.00	1.00	1.00

	Adds Funding for Federal Climate Pollution Reduction Act Grant ⁷	Adds One- Time Funding for Lead Pipe Removal and Clean Water Projects ⁸	Total Conference Committee Changes
Salaries and wages	\$600,600		\$171,209
Operating expenses	1,039,400		1,069,732
Capital assets			
Grants	360,000		360,000
Lead pipe removal and clean water grants		\$25,000,000	25,000,000
	_____	_____	
Total all funds	\$2,000,000	\$25,000,000	\$26,600,941
Less estimated income	2,000,000	25,000,000	25,108,351
General fund	\$0	\$0	\$1,492,590
FTE	0.00	0.00	2.00

¹ Salaries and wages funding is adjusted to provide for 2023-25 biennium salary increases of 6 percent on July 1, 2023, and 4 percent on July 1, 2024, and for adjustments to health insurance premium rates as follows:

	General Fund	Other Funds	Total
Salary increase	\$180,905	\$424,571	\$605,476
Health insurance adjustment	(5,159)	(12,352)	(17,511)
Total	\$175,746	\$412,219	\$587,965

This is the same as the Senate version. The House provided salary adjustments of 4 percent on July 1, 2023, and July 1, 2024.

² Funding for new FTE positions and estimated savings from vacant FTE positions is removed as shown below. These amounts are available to the agency if needed by submitting a request to the Office of Management and Budget for a transfer from the new and vacant FTE funding pool, the same as the Senate version.

	General Fund	Other Funds	Total
New FTE positions	(\$364,806)	(\$1,407,442)	(\$1,772,248)
Vacant FTE positions	(583,104)	(1,388,192)	(1,971,296)
Total	(\$947,910)	(\$2,795,634)	(\$3,743,544)

³ Funding is added for health insurance increases for vacant positions that was not included in the executive recommendation or the House version, the same as the Senate version.

⁴ Equity funding is added to increase salaries and wages to reclassify chemist and environmental scientist positions. The funding is provided in addition to equity funding included in the salary equity pool appropriated to the Office of Management and Budget, the same as the Senate version.

⁵ Funding, including funding from federal and special funds, is added for 1 FTE human resource director position in the Office of the Director and related operating expenses, the same as the Senate version.

⁶ Funding, including funding from federal and special funds, is added for 1 FTE assistant director in the Office of the Director and related operating expenses, the same as the Senate version.

⁷ Federal funding is added for a Climate Pollution Reduction Act grant, the same as the Senate version.

⁸ A section is added to the bill to provide \$25 million of one-time funding from federal funds for grants to political subdivisions with a population of 10,000 or less for lead pipe removal and other projects eligible for funding from the clean water state revolving loan fund. The department must require a political subdivision grant recipient to provide 25 percent matching funds and the department may not award grants in excess of \$5 million to a political subdivision. The House and Senate versions did not include this section.

This amendment also adds an exemption to allow the department to continue unexpended one-time funding provided during the 2021-23 biennium for the laboratory information management system project, the same as the Senate version.