

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<br/>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<br>Budget | House<br>Changes | House<br>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<br>Funding for<br>Cost to<br>Continue<br>Salaries <sup>1</sup> | Adjust Base<br>Budget<br>Funding <sup>2</sup> | Adds Funding<br>for Salary and<br>Benefit<br>Increases <sup>3</sup> | Adds 1 FTE<br>Natural<br>Resource<br>Services III<br>Position <sup>4</sup> | Adds 2 FTE<br>Engineering<br>and Planning<br>Services VI<br>Positions <sup>5</sup> | Adds 1 FTE<br>Civil Rights<br>and<br>Environmental<br>Justice<br>Position <sup>6</sup> |
|-----------------------|--|---|---|--|--|--|
| 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<br>Accountant<br>Budget<br>Specialist III<br>Position <sup>7</sup> | Increases<br>Funding for<br>Temporary<br>Salaries <sup>8</sup> | Adds Funding<br>for LIMS<br>Maintenance<br>and Hosting <sup>9</sup> | Increases<br>Funding for<br>Information<br>Technology <sup>10</sup> | Adds Funding<br>for Lead and<br>Copper<br>Testing <sup>11</sup> | Adds Funding<br>for Lead and<br>Copper<br>Program<br>Materials <sup>12</sup> |
|-----------------------|---|--|---|---|---|--|
| 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<br>for Drinking<br>Water<br>Database <sup>13</sup> | Adds Funding<br>for a Lead<br>Line Service<br>Replacement<br>Project <sup>14</sup> | Adds Funding<br>for<br>Environmental<br>Data System<br>Maintenance <sup>15</sup> | Removes<br>Funding for<br>Bond<br>Payment <sup>16</sup> | Adds Funding<br>for IJJA<br>Grants <sup>17</sup> | Adds One-<br>Time Funding<br>for Chemistry<br>Laboratory<br>Inflation <sup>18</sup> |
|-----------------------|---|--|--|---|--|---|
| 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-<br>Time Funding<br>to Administer<br>IJJA Revolving<br>Loan Fund <sup>19</sup> | Adds One-<br>Time Funding<br>for a Drinking<br>Water<br>Program<br>Portal <sup>20</sup> | Adds One-<br>Time Funding<br>for<br>Environmental<br>Data System<br>Development <sup>21</sup> | Total House<br>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                   |

<sup>1</sup> Funding is added for cost to continue salary increases.

<sup>2</sup> 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.

<sup>3</sup> 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:

|                           | <b><u>General Fund</u></b> | <b><u>Other Funds</u></b> | <b><u>Total</u></b> |
|---------------------------|----------------------------|---------------------------|---------------------|
| 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         |

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

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

<sup>6</sup> 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.

<sup>7</sup> 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.

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

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

<sup>10</sup> Funding is added for operating expenses related to ITD rate increases.

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

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

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

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

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

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

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

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

<sup>19</sup> 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.

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

<sup>21</sup> 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 1<sup>st</sup> 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.