23.0274.02028
Title.
Fiscal No. 1

Prepared by the Legislative Council staff for
Conference Committee
April 27, 2023

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2020

That the House recede from its amendments as printed on pages 1843-1848 of the Senate Journal and pages 2173-2178 of the House Journal and that Engrossed Senate Bill No. 2020 be amended as follows:

Page 1, line 2, after the semicolon insert "to provide an appropriation to the parks and recreation department;"

Page 1, line 4, after the first semicolon insert "to provide for a transfer; to provide for a report;"

Page 1, replace lines 14 through 24 with:

"Salaries and wages	$20,537,867	$1,656,382	$22,194,249
Operating expenses	43,366,550	16,112,518	59,479,068
Capital assets	98,467,437	177,316,513	275,783,950
Water supply - grants	125,000,000	191,200,000	316,200,000
Rural water supply - grants	59,600,000	(7,600,000)	52,000,000
Flood control projects	48,000,000	67,700,000	115,700,000
Discretionary funding	0	9,000,000	9,000,000
General water - grants	14,227,275	(2,227,275)	12,000,000
Total special funds	$409,199,129	$453,158,138	$862,357,267
Full-time equivalent positions	90.00	3.00	93.00"

Page 2, replace lines 7 and 8 with:

"Basinwide plan implementation	1,100,000	0
Discretionary funding	0	9,000,000"

Page 2, replace line 23 with:

"Total special funds	$206,600,000	$163,500,383"

Page 2, line 28, after "**ADDITIONAL**" insert "**2021-23 BIENNIUM**"

Page 2, line 28, remove "In addition to the amounts"

Page 2, remove lines 29 through 31

Page 3, replace lines 1 and 2 with "Any revenue deposited in the resources trust fund during the period beginning with the effective date of this Act, and ending June 30, 2023, in excess of the March 2023 legislative revenue forecast is appropriated to the department of water resources for the purpose of providing water supply grants and rural water supply grants, for the period beginning with the effective date of this Act, and ending June 30, 2025. Any additional amounts must be allocated equally between water supply grants and rural water supply grants."

Page 3, after line 9, insert:

"**SECTION 5. TRANSFER - BANK OF NORTH DAKOTA PROFITS - WATER INFRASTRUCTURE REVOLVING LOAN FUND.** The Bank of North Dakota shall transfer $100,000,000, or so much of the sum as may be necessary, from its current earnings and accumulated profits to the water infrastructure revolving loan fund during

the biennium beginning July 1, 2023, and ending June 30, 2025. The moneys must be transferred as requested by the director of the department of water resources, after consultation with the Bank of North Dakota, to provide local cost-share loans for projects approved by the state water commission pursuant to section 6-09-49.2.

SECTION 6. WATER PROJECTS STABILIZATION FUND - TRANSFERS. Notwithstanding subsections 1 and 2 of section 57-51.1-07, any oil extraction tax revenues deposited in the resources trust fund that exceed the amount included in the March 2023 legislative revenue forecast during the period beginning July 1, 2023, and ending June 30, 2025, must be transferred at least quarterly by the office of management and budget from the resources trust fund to the water projects stabilization fund for the period beginning with the effective date of this Act, and ending June 30, 2025.

SECTION 7. APPROPRIATION - PARKS AND RECREATION DEPARTMENT - SOVEREIGN LANDS RECREATION USE GRANTS - ONE-TIME FUNDING. There is appropriated from special funds derived from a grant from the state water commission, not otherwise appropriated, the sum of $2,000,000, or so much of the sum as may be necessary, to the parks and recreation department for the purpose of providing grants for developing recreation opportunities on sovereign lands in the state, for the period beginning with the effective date of this Act, and ending June 30, 2025. An eligible grant recipient must identify $1 of matching funds for each $1 awarded pursuant to this section. This funding is considered to be a one-time funding item.

SECTION 8. SOVEREIGN LANDS RECREATION USE GRANT. The water supply - grants line item in section 1 of this Act includes $2,000,000 from the resources trust fund which the state water commission shall provide as a grant to the parks and recreation department for developing recreation opportunities on sovereign lands in the state, for the period beginning with the effective date of this Act, and ending June 30, 2025."

Page 3, remove lines 14 through 30

Page 4, remove lines 1 and 2

Page 4, line 4, replace "$120,000,000" with "$123,380,315"

Page 5, line 4, replace "$175,000,000" with "$180,000,000"

Page 5, line 15, after "project" insert "water treatment plant"

Page 5, after line 16, insert:

"**SECTION 16. LEGISLATIVE INTENT - STATE WATER COMMISSION - CITY OF BISMARCK WATER TREATMENT PLANT.** Excluding the funding provided for the city of Bismarck water treatment plant prior to the 2023-25 biennium, it is the intent of the sixty-eighth legislative assembly that up to $50,000,000 of funding appropriated in the water supply - grants line item in section 1 of this Act be made available during the 2023-25 biennium for the city of Bismarck water treatment plant.

SECTION 17. LEGISLATIVE INTENT - CITY OF MEDORA WATER SUPPLY PROJECT. It is the intent of the sixty-eighth legislative assembly that the city of Medora request funding from the state water commission for water storage, water main replacement, and water supply expansion projects after all agreements for the construction of the Theodore Roosevelt presidential library have been finalized between the library, the library foundation, and the city of Medora.

SECTION 18. MISSOURI RIVER SYSTEM - LEGISLATIVE INTENT. It is the intent of the sixty-eighth legislative assembly that the department of water resources support efforts that protect and develop beneficial use of Missouri River system water and other available water supply sources.

SECTION 19. DEPARTMENT OF WATER RESOURCES - GARRISON DIVERSION CONSERVANCY DISTRICT - LEGISLATIVE INTENT - REPORT. It is the intent of the sixty-eighth legislative assembly that the department of water resources, in coordination with the Garrison Diversion Conservancy District, research and identify options for the use of the Missouri River intake constructed near Washburn. The department of water resources shall report its findings and recommendations to the legislative management by October 1, 2024."

Page 5, line 17, replace "The" with "Notwithstanding section 54-16-04, the"

Page 5, line 18, replace "$13,292,362" with "$9,900,000"

Page 5, line 18, after "operating" insert "expenses"

Page 5, line 24, replace "$405,000,000" with "$367,000,000"

Page 6, line 4, replace "is" with "and Senate Bill No. 2196 are"

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

Senate Bill No. 2020 - Summary of Conference Committee Action

	Base Budget	Senate Version	Conference Committee Changes	Conference Committee Version	House Version	Comparison to House
Parks and Recreation Department						
Total all funds	$0	$0	$2,000,000	$2,000,000	$3,000,000	($1,000,000)
Less estimated income	0	0	2,000,000	2,000,000	3,000,000	(1,000,000)
General fund	$0	$0	$0	$0	$0	$0
FTE	0.00	0.00	0.00	0.00	0.00	0.00
State Water Commission						
Total all funds	$409,199,129	$864,928,344	$27,428,923	$892,357,267	$862,357,267	$30,000,000
Less estimated income	409,199,129	864,928,344	27,428,923	892,357,267	862,357,267	30,000,000
General fund	$0	$0	$0	$0	$0	$0
FTE	90.00	93.00	0.00	93.00	93.00	0.00
Bill total						
Total all funds	$409,199,129	$864,928,344	$29,428,923	$894,357,267	$865,357,267	$29,000,000
Less estimated income	409,199,129	864,928,344	29,428,923	894,357,267	865,357,267	29,000,000
General fund	$0	$0	$0	$0	$0	$0
FTE	90.00	93.00	0.00	93.00	93.00	0.00

Senate Bill No. 2020 - Parks and Recreation Department - Conference Committee Action

	Base Budget	Senate Version	Conference Committee Changes	Conference Committee Version	House Version	Comparison to House
Sovereign lands recreation use grants			$2,000,000	$2,000,000	$3,000,000	($1,000,000)
Total all funds	$0	$0	$2,000,000	$2,000,000	$3,000,000	($1,000,000)
Less estimated income	0	0	2,000,000	2,000,000	3,000,000	(1,000,000)
General fund	$0	$0	$0	$0	$0	$0
FTE	0.00	0.00	0.00	0.00	0.00	0.00

Department 750 - Parks and Recreation Department - Detail of Conference Committee Changes

	Adds Funding for Recreation Use Grants[1]	Total Conference Committee Changes
Sovereign lands recreation use grants	$2,000,000	$2,000,000
Total all funds	$2,000,000	$2,000,000
Less estimated income	2,000,000	2,000,000
General fund	$0	$0
FTE	0.00	0.00

[1] One-time funding of $2 million from a grant received from the State Water Commission is added for the Parks and Recreation Department to provide grants for developing recreation opportunities on sovereign lands in the state. The House appropriated $3 million for grants for developing recreation opportunities on sovereign lands, including $800,000 for the Mandan parks and recreation department and $750,000 for the Northern Plains Heritage Foundation for the port of Bismarck. The Senate did not include funding for sovereign lands recreation use grants. Grant recipients must provide $1 of matching funds for each $1 of grant funds received under this program.

Senate Bill No. 2020 - State Water Commission - Conference Committee Action

	Base Budget	Senate Version	Conference Committee Changes	Conference Committee Version	House Version	Comparison to House
Salaries and wages	$20,537,867	$23,465,326	($1,271,077)	$22,194,249	$22,194,249	
Operating expenses	43,366,550	59,479,068		59,479,068	59,479,068	
Capital assets	98,467,437	300,383,950	(24,600,000)	275,783,950	275,783,950	
Water supply - Grants	125,000,000	283,000,000	33,200,000	316,200,000	316,200,000	
Rural water supply - Grants	59,600,000	40,000,000	12,000,000	52,000,000	52,000,000	
Flood control projects	48,000,000	114,600,000	1,100,000	115,700,000	115,700,000	
General water - Grants	14,227,275	12,000,000		12,000,000	12,000,000	
Basinwide plan implementation		1,000,000	(1,000,000)			
Discretionary funding		1,000,000	8,000,000	9,000,000	9,000,000	
Loan repayment		30,000,000		30,000,000		$30,000,000
Total all funds	$409,199,129	$864,928,344	$27,428,923	$892,357,267	$862,357,267	$30,000,000
Less estimated income	409,199,129	864,928,344	27,428,923	892,357,267	862,357,267	30,000,000
General fund	$0	$0	$0	$0	$0	$0
FTE	90.00	93.00	0.00	93.00	93.00	0.00

Department 770 - State Water Commission - Detail of Conference Committee Changes

	Adjusts Funding for Salary and Benefit Increases[1]	Removes Salary Funding for Funding Pool[2]	Adjusts Funding for Water Projects[3]	Total Conference Committee Changes
Salaries and wages	$344,552	($1,615,629)		($1,271,077)
Operating expenses				
Capital assets			($24,600,000)	(24,600,000)
Water supply - Grants			33,200,000	33,200,000
Rural water supply - Grants			12,000,000	12,000,000
Flood control projects			1,100,000	1,100,000
General water - Grants				
Basinwide plan implementation			(1,000,000)	(1,000,000)
Discretionary funding			8,000,000	8,000,000
Loan repayment				
Total all funds	$344,552	($1,615,629)	$28,700,000	$27,428,923
Less estimated income	344,552	(1,615,629)	28,700,000	27,428,923
General fund	$0	$0	$0	$0
FTE	0.00	0.00	0.00	0.00

[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, the same as the House, as follows:

	Other Funds
Salary increase	$354,895
Health insurance adjustment	(10,343)
Total	$344,552

The Senate 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, the same as the House. 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.

	Other Funds
New FTE positions	($703,398)
Vacant FTE positions	(912,231)
Total	($1,615,629)

[3] Funding for water projects is adjusted as follows:

	Total Funds
Reduce funding for capital assets	($24,600,000)
Increase funding for water supply grants	33,200,000
Increase funding for rural water supply grants	12,000,000
Increase funding for flood control projects	1,100,000
Remove one-time funding for basinwide plan implementation	(1,000,000)
Increase one-time funding for discretionary water projects	8,000,000
Total	$28,700,000

The Conference Committee made the changes approved by the House except the Conference Committee did not remove $30 million for the Western Area Water Supply Authority loan repayment and provide for a transfer of $30 million from the water projects stabilization fund to the water infrastructure revolving loan fund, which the House had done.

This amendment also:

- Designates the use of excess 2021-23 biennium revenue in the resources trust fund for water supply grants and rural water supply grants. The House designated the use of excess 2021-23 biennium and 2023-25 biennium revenue in the resources trust fund for water supply grants and rural water supply grants. The Senate restricted excess funds from being used for salaries and wages and operating expenses.
- Provides for the transfer of excess 2023-25 biennium revenue in the resources trust fund to the water projects stabilization fund. Neither the House nor the Senate included this section.
- Retains a section added by the Senate and removed by the House appropriating $30 million from the water projects stabilization fund to repay loans issued to the Western Area Water Supply Authority.
- Does not include a section added by the House to transfer $30 million from the water projects stabilization fund to the water infrastructure revolving loan fund.
- Transfers $100 million from Bank of North Dakota profits to the water infrastructure revolving loan fund, the same as the House.
- Designates $2 million for a grant to the Parks and Recreation Department for developing recreation opportunities on sovereign lands in the state. The House designated $3 million for this purpose.
- Removes a section providing for a basinwide plan implementation pilot project, the same as the House.
- Increases funding appropriated for water supply grants from the water projects stabilization fund from $120 million to $123.4 million, the same as the House.
- Does not include sections added by the House to amend North Dakota Century Code Sections 61-02-01.3 and 61-03-21.4 to require economic analyses for water projects in excess of $500,000.
- Provides legislative intent for $50 million to be granted for a City of Bismarck water treatment plant project, the same as the House.
- Provides legislative intent for the City of Medora to request funding from the State Water Commission after all agreements for the construction of the Theodore Roosevelt Presidential Library have been finalized between the library, library foundation, and City of Medora. The House version also required agreements with Billings County to be finalized.
- Provides legislative intent that the Department of Water Resources support efforts that protect and develop beneficial use of Missouri River system water. The House provided legislative intent expressing support for the Missouri River educate, advocate, and engage program.
- Provides legislative intent for the Department of Water Resources to research and identify options for the use of the Missouri River intake constructed near Washburn, the same as the House.
- Reduces the department's line item transfer authority from $13.3 million to $9.9 million. The House and Senate allowed for $13.3 million of line item transfer authority.
- Reduces the amount of appropriation authority the Department of Water Resources may continue into the next biennium by $38 million, to provide total carryover authority of $367 million, the same as the House.
- Declares Senate Bill No. 2196 to be an emergency measure.