Prepared by the Legislative Council staff for
the House Appropriations - Education and
Environment Division Committee
April 17, 2023

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2020

In lieu of the amendments adopted as printed on pages 2080-2085 of the House Journal, Engrossed Senate Bill No. 2020 is amended as follows:

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

Page 1, line 2, replace "section" with "sections 61-02-01.3,"

Page 1, line 2, after "61-02-79" insert ", and 61-03-21.4"

Page 1, line 4, after "credit" insert ", water project economic analyses requirements,"

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 31, remove "defraying the expenses of that agency, excluding operating"

Page 3, line 1, replace "expenses and salaries and wages" with "providing water supply grants and rural water supply grants"

Page 3, line 2 after the period insert: "Any additional amounts must be allocated equally between water supply grants and rural water supply grants."

Page 3, replace lines 3 through 9 with:

"**SECTION 4. TRANSFER - WATER PROJECT STABILIZATION FUND TO WATER INFRASTRUCTURE REVOLVING LOAN FUND.** The office of management and budget shall transfer $30,000,000 from the water project stabilization fund to the

water infrastructure revolving loan fund established under section 6-09-49.2, during the period beginning with the effective date of this Act, and ending June 30, 2025.

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. 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 $3,000,000, 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 7. SOVEREIGN LANDS RECREATION USE GRANT. The water supply - grants line item in section 1 of this Act includes $3,000,000 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 4, after line 6, insert:

"**SECTION 10. AMENDMENT.** Section 61-02-01.3 of the North Dakota Century Code is amended and reenacted as follows:

61-02-01.3. Comprehensive water development plan.

1. Biennially, the commission shall develop and maintain a comprehensive water development plan organized on a river basin perspective, including an inventory of future water projects for budgeting and planning purposes.

2. As part of the commission's planning process, to facilitate local project sponsor participation and project prioritization and to assist in education regarding life cycle analyses for municipal water supply projects, and economic analyses for flood control and water conveyance projects only for those expected to cost more than ~~one million~~five hundred thousand dollars, the commission shall develop ~~a policy that outlines~~policies and procedures for commissioner-hosted meetings within the upper Missouri River, lower Missouri River, James River, upper Red River, lower Red River, Mouse River, Devils Lake, Little Missouri River, upper Heart River, and upper Cannonball River drainage basins."

Page 4, after line 19, insert:

"**SECTION 12. AMENDMENT.** Section 61-03-21.4 of the North Dakota Century Code is amended and reenacted as follows:

61-03-21.4. Economic analysis process required for certain projects.

The department of water resources shall develop an economic analysis process for water conveyance projects and flood-related projects expected to cost more than ~~one million~~five hundred thousand dollars, and a life cycle analysis process for municipal water supply projects. When the state water commission is considering whether to fund a water conveyance project, flood-related project, or water supply project, the department of water resources shall review the economic analysis or life cycle analysis, and inform the state water commission of the findings from the analysis and review."

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 17. 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 18. 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, the city of Medora, and Billings County.

SECTION 19. MISSOURI RIVER EDUCATE, ADVOCATE, AND ENGAGE PROGRAM - LEGISLATIVE INTENT. It is the intent of the sixty-eighth legislative assembly that:

1. Support be provided for the Missouri River educate, advocate, and engage effort conducted by the Missouri River joint water resource board;

2. The effort is needed to secure the state's rights to Missouri River water; and

3. The state water commission and the department of water resources work in cooperation with the Missouri River joint water resource board to provide financial and technical assistance as the commission deems appropriate.

SECTION 20. 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 18, after "operating" insert "expenses"

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

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

Senate Bill No. 2020 - Summary of House Action

	Base Budget	Senate Version	House Changes	House Version
Parks and Recreation Department				
Total all funds	$0	$0	$3,000,000	$3,000,000
Less estimated income	0	0	3,000,000	3,000,000
General fund	$0	$0	$0	$0
FTE	0.00	0.00	0.00	0.00
State Water Commission				
Total all funds	$409,199,129	$864,928,344	($2,571,077)	$862,357,267
Less estimated income	409,199,129	864,928,344	(2,571,077)	862,357,267
General fund	$0	$0	$0	$0
FTE	90.00	93.00	0.00	93.00
Bill total				
Total all funds	$409,199,129	$864,928,344	$428,923	$865,357,267
Less estimated income	409,199,129	864,928,344	428,923	865,357,267
General fund	$0	$0	$0	$0
FTE	90.00	93.00	0.00	93.00

Senate Bill No. 2020 - Parks and Recreation Department - House Action

	Base Budget	Senate Version	House Changes	House Version
Sovereign lands recreation use grants			$3,000,000	$3,000,000
Total all funds	$0	$0	$3,000,000	$3,000,000
Less estimated income	0	0	3,000,000	3,000,000
General fund	$0	$0	$0	$0
FTE	0.00	0.00	0.00	0.00

Department 750 - Parks and Recreation Department - Detail of House Changes

	Adds Funding for Recreation Use Grants[1]	Total House Changes
Sovereign lands recreation use grants	$3,000,000	$3,000,000
Total all funds	$3,000,000	$3,000,000
Less estimated income	3,000,000	3,000,000
General fund	$0	$0
FTE	0.00	0.00

[1] One-time funding of $3 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 appropriated amount includes $800,000 for the Mandan parks and recreation department and $750,000 for the Northern Plains Heritage Foundation for the port of Bismarck. 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 - House Action

	Base Budget	Senate Version	House Changes	House Version
Salaries and wages	$20,537,867	$23,465,326	($1,271,077)	$22,194,249
Operating expenses	43,366,550	59,479,068		59,479,068
Capital assets	98,467,437	300,383,950	(24,600,000)	275,783,950
Water supply - Grants	125,000,000	283,000,000	33,200,000	316,200,000
Rural water supply - Grants	59,600,000	40,000,000	12,000,000	52,000,000
Flood control projects	48,000,000	114,600,000	1,100,000	115,700,000
General water - Grants	14,227,275	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
Loan repayment		30,000,000	(30,000,000)	
Total all funds	$409,199,129	$864,928,344	($2,571,077)	$862,357,267
Less estimated income	409,199,129	864,928,344	(2,571,077)	862,357,267
General fund	$0	$0	$0	$0
FTE	90.00	93.00	0.00	93.00

Department 770 - State Water Commission - Detail of House Changes

	Adjusts Funding for Salary and Benefit Increases[1]	Removes Salary Funding for Funding Pool[2]	Adjusts Funding for Water Projects[3]	Total House 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			(30,000,000)	(30,000,000)
Total all funds	$344,552	($1,615,629)	($1,300,000)	($2,571,077)
Less estimated income	344,552	(1,615,629)	(1,300,000)	(2,571,077)
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 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. 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)
Remove one-time funding for Western Area Water Supply Authority loan repayment	(30,000,000)
Increase one-time funding for discretionary water projects	8,000,000
Total	($1,300,000)

This amendment also:

- Removes a section added by the Senate identifying $30 million from the water projects stabilization fund to repay loans issued to the Western Area Water Supply Authority.
- Transfers $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.
- Designates $3 million for a grant to the Parks and Recreation Department for developing recreation opportunities on sovereign lands in the state.
- Removes a section providing for a basinwide plan implementation pilot project.
- Increases funding appropriated for water supply grants from the water projects stabilization fund from $120 million to $123.4 million.
- Amends 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.
- 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, City of Medora, and Billings County.
- Provides 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.
- 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.
- Designates the use of excess revenue in the resources trust fund.