

**State Water Commission
Senate Bill No. 2022**

	FTE Positions	General Fund	Other Funds	Total
2003-05 executive budget (bills as introduced)	85.00	\$0	\$150,385,990	\$150,385,990
2003-05 legislative appropriations	82.00	9,385,396	150,473,458	159,858,854
Legislative increase (decrease) to executive budget	(3.00)	\$9,385,396	\$87,468	\$9,472,864
Legislative increase (decrease) to 2001-03 appropriations	(7.00)	(\$429,755)	\$15,300,449	\$14,870,694

SUMMARY OF LEGISLATIVE CHANGES TO THE EXECUTIVE BUDGET AND MAJOR FUNDING ITEMS

Salaries and Wages

The legislative action affecting the recommended appropriation for the State Water Commission is in accordance with legislative salary and fringe benefits guidelines as contained in Senate Bill No. 2423, which allows agencies to provide salary increases of up to 1 percent on January 1, 2004, and up to 2 percent on January 1, 2005, to be funded in part from pooled savings accumulated from agency FTE position reductions.

Major Items

	FTE Positions	General Fund	Other Funds	Total
The legislative action:				
Removed funding recommended in the executive budget for state employee salary increases		(\$82,282)	(\$17,347)	(\$99,629)
Reduced funding recommended in the executive budget for state employee health insurance premiums from \$493 to \$488.70 per month per policy		(1,445)	(7,327)	(8,772)
Reduced funding for information technology. The amount reduced represents a reduction in information technology funding of approximately 5 percent.		(53,276)		(53,276)
Removed funding for the Section 404 program, including four related vacant FTE positions	(4.00)		(393,714)	(393,714)
Provided funding for 1 FTE floodplain mapping coordinator position under the community assistance program from Federal Emergency Management Agency funding	1.00		100,000	100,000
Changed the funding source for administrative expenses of the State Water Commission from the water development trust fund to the general fund		9,522,399	(9,522,399)	0
Removed funding for rent, audit, and legal fees, which would have been incurred if the State Water Commission remained a special funded agency			(547,974)	(547,974)

Increased bonding authority for water projects	_____	_____	10,476,229	10,476,229
Total	(3.00)	\$9,385,396	\$87,468	\$9,472,864

FTE Changes

The 2003-05 biennium appropriation includes funding for 82 FTE positions, 7 fewer than the 2001-03 authorized level of 89 FTE positions. The Legislative Assembly did not change the executive recommendation to transfer or remove 4 FTE positions, as follows:

- 2 FTE water testing positions (one of these positions will be transferred to the State Department of Health along with the water testing duties conducted by these employees)
- 1 FTE assistant state engineer position (the person who currently fills this position also serves as the director of the Water Development Division)
- 1 FTE water resource engineer position

The Legislative Assembly removed four vacant FTE positions relating to assumption of the Section 404 program of the Clean Water Act. (The positions were contingent upon the State Water Commission assuming jurisdiction over and administering the Section 404 program, which did not occur.) In addition, the Legislative Assembly authorized 1 FTE federally funded floodplain mapping coordinator position.

Other Sections in Bill

Resources trust fund - Section 2 authorizes the State Water Commission to spend \$13,650,000 from the resources trust fund as appropriated in Section 1 of the bill. Section 10 appropriates revenues, in excess of \$13,650,000 in the resources trust fund to the State Water Commission, subject to Emergency Commission approval.

Water development trust fund - Section 3 authorizes the State Water Commission to spend \$32,946,225 from the water development trust fund as appropriated in Section 1 of the bill.

Water-related projects carryover authority - Section 4 authorizes the commission to spend money appropriated in the 2003-05 biennium for water-related projects for two years after June 30, 2005. Any unexpended funds appropriated from the resources trust fund must be transferred back to the resources trust fund and any unexpended funds appropriated from the water development trust fund must be transferred back to the water development trust fund after the period has expired.

Maintenance shop building - Sections 5 and 6 provide a continuing appropriation for the sale of land and existing shop building located at 2603 East Broadway Avenue, Bismarck. The Legislative Assembly provided that the State Water Commission may either sell all of its land and the existing shop building and use the proceeds to purchase replacement land and build a new shop building or sell a portion of the land adjacent to the existing shop and use the proceeds to build a new shop on the remaining property. The total appropriation for the purchase of land and construction of the new building is not to exceed \$977,100, the same as the 2001-03 biennium.

Line of credit - Sections 7 and 8 authorize a line of credit from the Bank of North Dakota of up to \$25 million for interim financing of water projects prior to the issuance of bonds.

Bond issuance authorization - Section 9 authorizes the State Water Commission to issue bonds in an amount not to exceed \$60 million, plus the costs of issuance, capitalized interest, and required reserves for water-related projects during the 2003-05 biennium.

Tobacco settlement trust fund collections - Section 11 amends North Dakota Century Code Section 54-27-25 relating to the uses of tobacco settlement collections. The section had provided for tobacco settlement collections to be distributed first to the water development trust fund based on the needed funding for interest and principal on bond payments before making distributions to the common schools trust fund. The Legislative Assembly removed the funding priority provided to the water development trust fund.

Devils Lake outlet - Sections 12 and 14 provide for the State Water Commission to do all things reasonably necessary to construct an outlet from Devils Lake and provides the necessary funding to complete the project from a continuing appropriation from the water development trust fund, the resources trust fund, or from bond proceeds issued by the State Water Commission.

Fargo flood control projects - Section 13 amends North Dakota Century Code Section 61-02.1-02.1 removing the reference which limits funding for Fargo flood control projects to \$5.5 million.

Administrative expenses - Section 15 authorizes a transfer of \$10,070,373 from the water development trust fund to the general fund during the 2003-05 biennium, which is based on the State Water Commission's administrative expenses included in the executive budget recommendation. The Legislative Assembly authorized \$9,385,396 from the general fund for administrative expenses.

Related Legislation

State Board of Higher Education - Section 12 of House Bill No. 1003 appropriates \$1,456,074 from the water development trust fund to the University of North Dakota (\$1,193,146) and North Dakota State University (\$262,928) for disaster response costs.

Information technology position transfer - House Bill No. 1505 provides for 1 FTE position relating to information technology services, including electronic mail, file and print server administration, data base administration, storage, application server, and hosting services to be reduced from the State Water Commission and transferred to the Information Technology Department.

Parks and Recreation Department - Section 8 of Senate Bill No. 2021 appropriates \$575,287 from the water development trust fund to the Parks and Recreation Department for repaying principal and interest on disaster response loans from the Bank of North Dakota.

Devils Lake outlet - Senate Bill No. 2193 extends, through June 2005, the authority of the State Water Commission as provided in North Dakota Century Code Chapter 61-02.1 for construction of a Devils Lake outlet.